

JPRS: 2547

25 April 1960

ECONOMIC REPORT ON NORTH KOREA

MAIN FILE

(25th of the series)

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JPRS: 2547

CSO: 28-N/25

ECONOMIC REPORT ON NORTH KOREA

This report is based on the following North Korea publications:

Kigye Kongop, Nos 10, 12; October, December 1959

Kulloja, No 1, January 1960

Kumsok Kongop, Nos 10, 11; November, December 1959

Kyongje Konsol, Nos 11, 12; November, December 1959

Nodong, No 12, December 1959

Sangop Sinmun, 8, 14 January 1960

Sekt'an Kongop, Nos 8, 9, 11; September, October,
December 1959

All comments by the researchers have been enclosed in brackets.

UNITS OF MEASUREMENT

Korean Unit

Metric Equivalent

Length:

cha or chok	0.303 m
kan	1.818 m
chong	109.091 m
ri	3.927 m

Area:

pyong	3.306 m ²
myo	99.174 m ²
tan	91.736 m ²
chongbo	99.174 are

Capacity:

hop	0.180 l
tu	1.804 l
small mal	9.020 l
large mal	18.039 l
sok	180.391 l

Weight:

ton	3.75 g
yang	37.5 g
kun	0.600 kg
kwan	3.750 kg

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I. ECONOMIC POLICY

Socialist Industrialization

[The following are excerpts from an article written by Kim Sang-hak, "Our Party's Economic Policy for Socialist Industrialization," Kulloja, No 1, January 1960, pages 22-33.]

A.

In the course of implementing socialist industrialization in the northern half of the Republic, our Party has strictly adhered to the general principles of socialist construction and, in particular, to the Leninist principles of socialist industrialization; it has applied these principles creatively to the concrete conditions in our country with considerable results.

The Korean people had already established a socialist industry during the pre-war peaceful reconstruction period. They effected the rehabilitation of industry as well as its further development. But the problem of socialist industrialization did not arise until after the Korean war.

Immediately after the Armistice the Party proposed a platform for the rehabilitation and development of the national economy; it was this entire platform which determined the basic direction and the means for socialist industrialization in our country.

The postwar Three-Year Economic Plan period in our country was, in essence, a period of rehabilitation. But it was not simply a period of rehabilitation. During this period, industrial production surpassed the prewar level by 80 percent.

In addition, the foundation of heavy industry, which constitutes the base for national economic self-sufficiency, was reconstructed and expanded; thus, considerable changes were effected in the technological foundations of our industries.

As a result, the foundation for socialist industrialization in our country began to be partially established during that period. The task for the initial stage of socialist industrialization in our country was to build the foundation for socialist industrialization.

The problem of the implementation of this task during the initial stage of industrialization is not necessarily characteristic of every country engaged in carrying out socialist industrialization. In our country, the necessity for building the foundation of industrialization during the initial stage of industrialization was determined by the fact that the Japanese imperialists left us the legacy of a backward industrial productive force, not to mention the colonial lopsidedness [in industries].

Of course, the task of completing the building of the foundation of socialist industrialization in our country was not fulfilled during the postwar Three-Year Plan period; this period was essentially a period of rehabilitation. That task was resolved during the First Five-Year Plan period, when an all-out effort was made for the acceleration of socialist industrialization.

Nevertheless, the fact that the task for the initial stage of socialist industrialization was partially carried out simultaneously [with general economic rehabilitation] during the period of postwar rehabilitation is an important characteristic peculiar to socialist industrialization in our country.

During the postwar Three-Year Plan period, the socialist relations of production won a decisive victory in cities and rural areas, in industry and agriculture, and in the commodity circulation sector.

But as Premier Kim Il-song has pointed out, "though the establishment of the socialist relations of production was basically completed during that period, the material and productive bases of socialism were still weak."

Although the socialist relations of production had won a decisive victory over the entire realm of the national economy, technological improvement in industry had not yet been carried out on a broad scale; nor was the introduction of mechanized technology in agricultural operations extensive.

At the same time, the training of technical personnel required for the technological improvement of the national economy did not advance beyond the stage of building its foundation. The historical backwardness of the productive forces in our country could not be eliminated during that period, and the productive forces did not develop to a level fully compatible with a socialist society.

Thus, the Korean people were faced with the decisive task of strengthening the material and productive bases of socialism, which remained inadequate inspite of the victory of the socialist relations of production. Their task was to accelerate socialist industrialization on a nation-wide scale and to realize technological progress in the national economy.

This was the central task that remained to be implemented during the First Five-Year Plan. As a result, the First Five-Year Plan period was devoted to the implementation of socialist industrialization on a nation-wide scale.

Consequently, this period was also devoted to technological improvement, even though there was still some rehabilitation work that had to be completed during this period.

The First Five-Year Plan was of historic significance for the development of our national economy; it was fulfilled two and a half years ahead of schedule in terms of the gross value of industrial production. In 1959, the gross value of industrial production was 3.1 times the 1956 level, 6.1 times the prewar level, and 6.6 times the 1944 level.

As a result of the successful fulfillment of the First Five-Year Plan in the sector of industry, both the overall character and the qualitative composition (kusong) of the national economy have been completely transformed; our country has thus been transformed into a self-sufficient socialist industrial-agricultural nation.

Industrial production in our country has now come to exceed agricultural production by a considerable margin, and the colonial lopsidedness in our industries has been completely eliminated. As a result, the leading role of

industry has been further enhanced; in particular, the positive assistance rendered to agriculture by industry, as well as the productive interrelationship between the individual sectors of the national economy and within industry itself, have been considerably strengthened.

The foundation of industrialization in our country has thus been erected; this constitutes historic progress toward socialist industrialization. On the basis of this foundation, industry has been able to complete large-scale construction and technological improvement in all the sectors of the national economy during the Second Five-Year Plan period.

B.

The means (pangdo) of industrialization in our country are based on the general methodology (pangbop) of socialist industrialization.

However, in applying the socialist methodology of industrialization to the concrete conditions in our country, our Party has given full consideration to the historical, economic, and natural conditions in our country; it has also taken the level of industrial development and the structure (kujo) of industrial production into account. Therefore, while industrialization in our country conforms to the general principles of socialist industrialization, the concrete means by which it is realized possess several characteristics which are peculiar to Korea.

These characteristics are expressed in (1) the mutual relations between the development of heavy industry and light industry, as well as in the central direction of the development of heavy industry; (2) the sources of the funds required for industrialization; (3) the mutual relations between rehabilitation and improved construction (kaegon); and, more important, (4) the tempo of industrialization.

Socialist industrialization is characterized by the development of a powerful heavy industry, with the machine building industry as its central nerve. A certain base for heavy industry had existed before the postwar period.

Our Party correctly recognized that, even under the difficult conditions of the postwar period, the key to the solution of all the problems related to postwar rehabilitation lay in the primary rehabilitation and development of heavy industry.

During the postwar period, heavy industrial enterprises were rehabilitated and expanded on a large scale, and new heavy industrial enterprises were widely established. Power plants, which had been badly damaged during the war, were completely rehabilitated; moreover, several large new hydroelectric power plants were constructed. Ferrous as well as non-ferrous metallurgical plants, chemical fertilizer plants, and cement plants were rehabilitated and expanded. In addition, new plants were constructed.

In particular, during the postwar period the foundation of the machine building industry was laid.

Our Party attached decisive importance to the rapid development of the machine industry. This was necessary to ensure an independence (chajusong) in the composition of the individual industrial sectors and to establish a self-sufficient (charipjok) socialist industry in the course of executing socialist industrialization in our country.

Our Party is concerned with satisfactorily meeting the demand for the machine facilities and spare parts required for technological progress in the national economy. It is therefore taking measures to meet these requirements within the next few years; except for a few special machine facilities, this is to be accomplished on a domestic basis.

Now that the First Five-Year Plan has been successfully fulfilled, the machine building industry is able to meet the huge requirements for medium and small machine facilities and spare parts; on a domestic basis it has also laid the foundation for the mass production (taeryangjok saengsan) [perhaps "quasi-mass production" as the proper term for "mass production" is 'taeryang saengsan'] of large modern machine facilities, such as trucks, tractors, and excavators. The machine tool reproduction movement represents an especially significant measure taken by the Party in the recent past in order to effect the rapid development of the machine building industry.

The workers of our country were aroused by the appeal of the Party and in 1959 alone produced more than 13,000 machine tools, in addition to fulfilling their production plans.

As a result, in 1959, the gross value of production of the machine-building and metal-processing industry rose to more than 80 times the 1946 level; its proportion to the gross value of industrial production of the nation as a whole increased from 1.6 percent in 1944 to 8.1 percent in 1949, 16.6 percent in 1958, and to a much higher level in 1959.

The development of heavy industrial sectors during the postwar period constituted a decisive factor in laying the foundation for socialist industrialization in our country.

It must be pointed out, however, that while our Party has firmly maintained the principle of the primary development of heavy industry in the course of executing national industrialization, it has made a creative application of this principle in a manner compatible with the concrete conditions and realistic needs of our national economic development.

For this reason, a series of important characteristics have emerged in the primary development of heavy industry within the framework of the over-all industrial development in the country.

These characteristics are to be found in (1) the mutual relations of obtaining between the development of heavy industry and light industry; (2) the substantial changes which have occurred in the internal composition of heavy industry; and (3) the central direction of the development of heavy industry.

It is well known that, during the postwar period, the Party has maintained a policy of primarily developing heavy industry; but its policy has also included the simultaneous development of light industry and agriculture. This policy of rapidly developing light industry and agriculture and, at the same time, ensuring the primary development of heavy industry, has been firmly maintained.

It was maintained during the Three-Year Plan period, which was essentially devoted to rehabilitation, but which at the same time saw the partial creation of the foundation for industrialization.

Our Party's policy was also maintained throughout the First Five-Year Plan period. In this period, both the technological improvement of the national economy and the task of socialist industrialization were accelerated on a nation-wide scale.

Growth in Production [Value] of Means of
Production and Consumer Goods By Indus-
tries in the Northern Half of the Re-
public

	<u>1946</u>	<u>1949</u>	<u>1953</u>	<u>1956</u>	<u>1959</u>
Group A	100	375	158	640	2,019
Group B	100	288	285	598	1,713
Gross Value of Industry Production	100	337	216	615	1,906

The Party policy, which was maintained throughout the postwar period, made it possible to carry out successfully the difficult tasks of rapidly rehabilitating and developing the productive forces in the nation; it also made it possible to stabilize the people's livelihood and to further raise their living standards.

This policy also enabled us to complete the task of postwar rehabilitation within an extremely short period and to carry out on our own large-scale construction in both industry and agriculture. Thus, we were able to create the necessary conditions for the acceleration of socialist industrialization in our country.

As a result of the execution of this policy, the production of consumer goods has increased phenomenally and the foundation for a modern light industry has been established.

During the Three-Year Plan period, the rate of growth for light industry was relatively low, compared with that of heavy industry. But the growth of light industry production during that period was mainly the result of new construction and expansion [in contradistinction to 'rehabilitation']; the average annual rate of growth during that period was 28 percent.

The output of light industries, such as the food-processing and daily necessities industries, also increased very rapidly during the First Five-Year Plan period.

As a result, the proportion of the gross value of production of the textile industry to the gross value of national industrial production increased from six percent in 1944 to 11.3 percent in 1949, and to 16.1 percent in 1958.

The scale of this industrial development shows that the backwardness of light industry, which reflected the overall colonial lopsidedness of industry inherited from the Japanese imperialists, has now been liquidated.

In order to make especially rapid progress in the production of consumer goods in the course of implementing industrialization, our Party has taken measures to establish both large factories and medium and small factories; it has accomplished the parallel development of both central industries and local industries and has made combined use of both modern techniques and some handicraft techniques.

In this connection, the most creative measure taken by the Party was to develop medium- and small-scale local industries on a nation-wide basis. The June 1958 Plenum of the Party Central Committee created the momentum for the accelerated development of local industries. Since then, many new local industrial plants have sprung up and the base for local industries has been further strengthened. This has yielded many new achievements.

In 1959, the value of production by local industries increased to 2.2 times the 1958 level. Moreover, the share of local industries in the gross value of consumer goods produced in the country increased from 28 percent in 1958 to 39 percent in 1959.

The development of local industries has contributed to an increase in the production of consumer goods and building materials in rural areas; this increase has been effected through the full mobilization of the material and labor resources available in rural areas. Moreover, it has also made it possible to divert greater amounts of State funds to the large-scale construction of heavy industry.

By ensuring a more rapid increase in the production of means of production [capital goods], as well as in the production of consumer goods, local industries have constituted an important factor contributing to a higher rate of expanded reproduction; thus, in turn, constitutes a significant contribution to the acceleration of the industrialization in our country.

The principle of the primary development of heavy industry and the simultaneous development of light industry and agriculture has been firmly maintained by the Party throughout the postwar period. But it must be pointed out that the concrete form and the content of that policy, as applied to each stage of economic development by the Party, have not remained constant.

Certain changes have occurred in the method and content of this policy in the course of its application to the concrete conditions of the country during the Three-Year Plan period and the First Five-Year Plan period.

The Three-Year Plan period and the First Five-Year Plan period differed significantly in regard to both the concrete conditions to which the aforementioned principle was to be applied and in the problems which it was intended to solve.

First, the Three-Year Plan period was characterized by a national economy that had been heavily damaged; at the same time a large amount of foreign aid was rendered by fraternal nations during this period. It was under these circumstances that the Party thoroughly applied the above-mentioned principle and solved the problems of rehabilitating the national economy and of stabilizing and further improving the livelihood of the people within the shortest possible period. Thus, the Party laid the basic foundation for a self-sufficient national economy.

In contrast, however, the tasks to be carried out during the First Five-Year Plan period through the application of the above-mentioned principle were peculiar to a new stage of economic development.

The tasks of socialist industrialization and technological improvement had to be carried out on a nation-wide scale, while [continuously] solving the problem of providing clothing, food, and shelter for the people. These important tasks were carried out successfully on the strength of the achievements made during the rehabilitation period [Three-Year Plan period]. But they were carried out with our own financial resources.

Secondly, when the First Five-Year Plan was launched, the links between heavy industry and light industry, as well as those between individual sectors of the rural economy, were already considerably stronger than during the preceding period.

As over-all socialist industrialization progressed, the leading role of socialist industry within the national economy and, in particular, the leading role of heavy industry were considerably enhanced. At the same time, light industry and agriculture had come to depend upon the base of heavy industry to a greater extent; the resultness that the production links between these sectors were further strengthened.

Thirdly, in contrast to the previous period, during the First Five-Year Plan period, the difference between the rates of growth of heavy industry and light industry was greatly diminished. For example, during the Three-Year Plan period, the output of heavy industry and the output of light industry had increased 310 percent and 110 percent respectively; however, during the First Five-Year Plan period, they increased by 220 percent and 190 percent respectively. But there is no reason to regard this as a sign that the development of heavy industry slackened during the First Five-Year Plan period.

This is true either in terms of the growth rate itself nor in terms of the capital construction funds allotted to heavy industry. It is the result of the fact that the production increase in heavy industry during the Three-Year Plan period followed from the rehabilitation of old

production facilities, and that a greater number of these facilities were rehabilitated for heavy industry than for light industry. On the other hand, the production increase during the First Five-Year Plan period in both heavy industry and light industry was achieved equally through new construction and expansion, and there were virtually no differences between these two industries, such as existed during the Three-Year Plan period. Even more important is the fact that local industries accounted for a considerable portion of the production increase in consumer goods by light industry during the First Five-Year Plan period.

As the following table indicates, during the First Five-Year Plan period, industrial construction, and particularly the capital construction of heavy industry, increased both in absolute and proportional terms. This is eloquent testimony of the fact that our Party concentrated greater efforts during the First Five-Year Plan period [than during the Three-Year Plan period] on socialist industrialization and especially on the development of heavy industry.

Proportions of Capital Construction Investment Accounted for by Individual Sectors (%)

	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>
Proportion of investment in industrial construction to the total capital construction investment	43.2	51.4	53.6	57.9	54.6
Of the total industrial investment:					
Heavy industry.....	81	79	83	84	85
Light industry	19	21	17	16	15

The changes that have occurred in the internal structure of heavy industry in the course of executing industrialization give rise to the second series of characteristics [the first series of characteristics are to be found in the relations between heavy and light industries given from the second paragraph on page 9 through page 16] of the primary development of heavy industry.

Throughout this period, the policy of the primary growth of heavy industry in the course of industrialization has not merely consisted in a demand for a uniformly high rate of growth in the production of general means of production.

The course of executing industrialization in our country has required a rapid development of those sectors (machine-building and metal-processing industry) which are primarily entrusted with the production of working tools; this has necessitated a rapid change-over of heavy industry from the production of raw materials and semi-finished goods to that of finished processed goods. It is true that under the Japanese regime more than 70 percent of the gross value of industrial production in North Korea was accounted for by the production of means of production. But most of this heavy industrial production was limited to the output of raw materials and semi-finished goods. This historical background clarified the need for this task [of selective development among heavy industrial sectors].

Priority was given to the development of heavy industry and the measures our Party took to effect a change in the internal structure of heavy industry were highly successful. In the course of executing industrialization, the machine-building and metal-processing industry has developed by leaps and bounds; at the same time, the production of finished processed goods has been considerably strengthened in every heavy industrial sector.

Today, the colonial lopsidedness which existed in our industry in the past--between the mineral-extracting industry, the metallurgical industry, and the machine-building industry--has been basically eliminated, and the deformed internal structure of the metal industry has also been corrected. For example, in 1944, the value of production of the mineral-extracting industry in North Korea

was 100 [index]; that of the metal industry was 84.7, and that of the machine building and metal-processing industry, a mere 10. But in 1958, the corresponding ratio changed to 100:157:361.

Moreover, in 1944, when the value of pig iron production in North Korea was 100, the value of steel production was 30, while that of structural steel production was a mere 21.4. In 1958, however, the corresponding ratio changed to 100:151:105.

[Thirdly], the Party's economic policy for the primary development of heavy industry during the postwar period cannot be completely understood without a grasp of the central direction of the development of heavy industry.

Speaking of the primary development of heavy industry as an economic law, V. I. Lenin stated: "We consider that the production of the means of production for the means of production develops most rapidly, and it is followed by a development of the production of means of production for the means of consumption, the production of the means of consumption developing most slowly." (Collected Works, Vol I, Bind I, Korean Edition, page 130).

This Leninist principle was applied by our Party to the concrete requirements of industrial development in our country. But this does not mean that there were no characteristics which were peculiar to Korea, in so far as the content of the development of heavy industry in our country is concerned.

Our Party has striven primarily to develop those heavy industrial sectors which are closely related to the solution of the people's clothing, food, and shelter problem, i. e., those sectors which produce raw materials, supplies, and machine facilities required for the further development of light industry and agriculture and for housing construction; moreover, it has worked to develop those heavy industrial sectors which constitute the basis for the future development of the national economy.

The heavy industrial sectors which were to meet these requirements were rapidly developed during the postwar period. These sectors consisted of the chemical, ferrous

metal, building materials, and machine building industries.

In the chemical industry, emphasis was placed on a rapid increase in the production of chemical fertilizers, farm chemicals, and chemical fibers. The building materials industry supplied a large quantity of cement and bricks for construction in cities and rural areas; the ferrous metal industry supplied various structural steels for the construction of irrigation systems and houses; and the machine building industry produced large quantities of various farm implements, tractors, fishing boats, textile equipment, and irrigation equipment and supplies.

During the postwar period, by developing heavy industry in conformity with concrete economic conditions and requirements, our Party has maintained a policy of linking, to the maximum extent, the production of means of production to the production of consumer goods; it has done so for the end of ensuring a high rate of expanded reproduction.

This policy direction was maintained during both the Three-Year Plan period and the First Five-Year Plan period; it is still being firmly maintained by the Party during the adjustment period of 1960.

The socialist principle of the international division of labor was adopted in the course of executing the industrialization of our country. But at the same time, the historical, economic, and natural conditions of our country were fully taken account. In addition, the independence and multi-angularity of our industry was strengthened.

At present our Party is engaged in ensuring the multi-angularity of industrial development and in strengthening the self-sufficient character of the industrial system; it is expanding the varieties of domestic manufactured goods to the utmost extent, including various means of production and consumer goods.

As a result of the application of the international division of labor to our industrial development, the total trade turnover has increased rapidly; in 1957, it was approximately double the 1955 level.

The Party has also taken the most effective measures to meet the financial requirements of industrialization.

In accord with the fundamental nature of socialist industrialization, the Party has met our enormous financial requirements basically through domestic accumulation.

This was particularly true of the First Five-Year Plan period, in which even large-scale industrial construction was essentially carried out with domestic financial resources. For example, the proportion of revenue from foreign aid to the total State budgetary revenue declined from 24.6 percent during the Three-Year Plan period to 12.2 percent in 1957, 4.5 percent in the 1958 budget [i.e. not actual], and 2.7 percent in the 1959 budget.

During the postwar period, the primary development of heavy industry and the simultaneous development of light industry and agriculture called for an enormous quantity of capital construction funds. But the rapid increase in the production of consumer goods and, in particular, the wide-scale development of local industries, have not only increased the supply of funds for consumer goods; they have also created highly favorable conditions for securing a sound source for the financial supply which is required for the industrialization of our country.

In the course of meeting these enormous financial requirements, our Party has attached great importance to the maximum mobilization of potential internal resources.

The December 1956 Plenum of the Party Central Committee marked a turning point in that direction; it aroused the workers to fully mobilize the internally available productive resources which had been created as a result of the Three-Year Plan.

The June 1958 Plenum appealed for the full mobilization of internal resources to fulfill the First Five-Year Plan ahead of schedule.

The December 1959 Expanded Plenary Session called for a full mobilization of internal resources, in order to successfully fulfill the tasks envisaged for the adjustment period [1960]. These resources had not been fully utilized as a result of the extremely rapid rate of national progress in the past.

Another measure taken by the Party to meet these enormous financial requirements was to maximize the economic efficiency of capital construction investment. To this end, funds were allocated primarily for the rehabilitation and improvement of existing enterprises and only thereafter for the construction of new enterprises. This has been carried out in a coordinate manner and in accordance with the order of priorities set for individual construction projects.

The financial and economic aid rendered by the Soviet Union and other socialist countries has been of considerable significance in meeting financial requirements. The enormous amount of aid rendered by these countries was very important, particularly during the Three-Year Plan period.

These aid funds have also been well utilized by our Party. Three-quarters of these funds were used to import production equipment and supplies required by agriculture, transportation, etc., and the remaining quarter, for the importation of consumer goods needed by the people.

Socialist industrialization also requires an advanced technological foundation; this is an indispensable element of the former.

Our Party has taken every possible measure to eliminate the technological backwardness inherited from the Japanese imperialists, and has achieved great results in this area. Several characteristics of these measures follow:

First, during the Three-Year Plan period, technological improvements were, to a considerable extent, carried out simultaneously with the rehabilitation of production facilities.

Of the total value of productive fixed assets (p'ondou) existing as of 1 January 1957, the value of those assets which were rehabilitated during the postwar period accounted for 49.4 percent for the entire industry, 45.6 percent for heavy industry, 67.8 percent for light industry, and as much as 81 percent for the machine building industry. These figures are an important index of the extent to which technological improvements were effected during the postwar period.

Secondly, in view of the level of technological development in our country, combined use was made of large-scale mechanization, comprehensive mechanization and automation with modern machine facilities, partial mechanization, and small-scale mechanization.

Although manual labor is still prevalent, this combined use has been significant in reducing the amount of manual labor.

In addition, technological facilities have recently been considerably improved and strengthened in medium- and small-scale local industries. The combined use of modern techniques and traditional techniques has been of considerable significance in this area.

Thirdly, it was necessary to undertake the task of technological improvement in our country at a time when the domestic technological foundation, especially the foundation of the machine-building industry, was still weak, i.e., while the foundation for the reproduction of technological means was still inadequate. This was particularly true of the Three-Year Plan period.

However, as the nation moved into the First Five-Year Plan period, the domestic foundation for the expanded reproduction of technological means was considerably strengthened; at present, technological improvements in industry can be solved basically by our own machine building industry.

One of the fundamental problems related to technological improvement is that of the training of technical personnel. There has been a nuance (t'ukisong) between the task of technological improvement and the task of solving the problem of the shortage of trained personnel. The task of training technical personnel was posed from the very beginning of the development of socialist industry in our country. Due to the vicious policy of the Japanese imperialists, there was an extreme shortage of national technical cadres at the time of the national Liberation.

After the Liberation, during the Korean war and even more so after the war, technicians and skilled workers with various specialities were trained both at home and abroad. As a result, in 1958 the number of engineers and

technicians had increased to five times and 4.3 times respectively of the 1953 level. We now have the prospect of essentially solving the problem of national technical cadres within the near future.

The socialist industrialization now in progress in our country has effected basic changes in the distribution of the industrial production force. These changes, which began after the Korean war, have been taking place continuously throughout the First Five-Year Plan period.

During the postwar period, at the same time that great transformations took place in such old industrial centers as P'yongan-namdo, Hamgyong-namdo, and Hamgyong-pukto, new industrial centers were established and strengthened in Chagang-do, P'yongan-pukto, etc.

Furthermore, during the last few years, medium and small local industrial plants have been distributed all over the country. As a result, industrial enterprises are now situated in closer proximity to areas of raw material supply and to where their products are consumed; moreover, a more comprehensive development of the local economy is taking place.

At the same time, the production links between the various sectors of industry, as well as those between industry and agriculture, are being reorganized on a more adequate geographic basis.

In the course of executing socialist industrialization, our Party has constantly reorganized and strengthened the industrial control system; it has brought the relations of production into conformity with the requirements of the development of the productive forces, and it has made the superstructure conform to the economic base.

In particular, the reorganization of the industrial control system, put into effect in August 1959, has created conditions favorable to both the establishment of the local industrial system and to the further development of central industries; thus, a rapid increase in the industrial production force will be facilitated.

The socialist industrialization of a country and the socialist integration of the rural economy are closely

interrelated tasks. But there has been a considerable difference in the order in which these two problems have been solved in our country in the course of socialist construction. The movement for the cooperativization of the rural economy was already under way during the initial period when the foundation of socialist industrialization was being built in our country.

Moreover, cooperativization was completed before the end of that initial period. Our Party has carried out technological improvements in rural areas in the order of priorities. On the one hand, the particular methods employed have been set through a close scrutinization of the characteristics peculiar to the rural economy; on the other hand, they have been set with a view to the level of industrial development in the country.

In the past, it was after this scrutinization that irrigation was carried out as the primary step toward technological revolution in the rural areas. To that end, our industry provided abundant supplies of irrigation equipment as well as building materials and electricity.

Now that irrigation has been basically completed [on the one hand] and that the industrial production force has advanced to a higher level [on the other], the Party has proposed the task of completing the mechanization of agricultural operations within the next three to four years. Our heavy industry has all the material and technological resources necessary for playing a decisive role in realizing that goal.

Socialist industrialization in our country is being carried out at an exceedingly rapid pace.

During the Three-Year Plan period, our industry had already begun its rapid development and was engaged in reconstruction (kaegon) in addition to rehabilitation. The tempo of the development of our industrial production during the last few years has differed from that of the past.

The tempo of development during the reconstruction period [First Five-Year Plan period] was more rapid than that during the rehabilitation period [Three-Year Plan period]. For example, during the Three-Year Plan period, our industrial production increased 185 percent, while,

during the three years of the reconstruction period (1957-1959), it increased 210 percent [both net increases]. This rapid tempo is an indication of the over-all upsurge of socialist construction in the industrial sector.

The correct leadership of the Party and the revolutionary enthusiasm of the working class have made it possible to successfully realize such creative measures as the machine tool reproduction movement and the over-all development of local industries; both of these measures have created a new phase in the execution of the socialist industrialization of our country.

Furthermore, the socialist competition movement has opened up new avenues for the self-improvement of the workers. In recent years, the ranks of the revolutionary workers (nodong hyoksinja) have rapidly increased, and the "winged-horse work team" movement as well other new types of collective movements, have expanded on a wide scale.

Along with the introduction of advanced technologies, the improved organization of production and labor, and the enhancement of the cultural and technical levels of the workers, labor productivity has increased very rapidly during the postwar period. During the first five postwar years (1954-1958), labor productivity in the industrial sector increased 160 percent [net].

At the same time that socialist industrialization has been successfully executed and the rural economy has undergone rapid development, the material and cultural living standards of the working people have risen rapidly. In 1959, the cash wage income of workers and office employees rose to 3.4 times the 1953 level; moreover, in 1959 their real wages exceeded the goal set for 1961 under the First Five-Year Plan.

The rapid improvement of the material and cultural life of the working people is also expressed in the rate of the natural increase of the population. Toward the end of Japanese rule (1944), the rate of natural increase was 10.5 per 100; in 1949 it increased to 22.5, and in 1958 it reached as high as 33.6 per 1000.

In 1961 we will launch our Second Five-Year Plan on the basis of the achievements made during the First Five-Year Plan period.

During the First Five-Year Plan period, we brought the socialist relations of production to a complete victory in both cities and rural areas; thus, we have erected the foundation of socialist industrialization and constructed the foundation of socialism.

During the Second Five-Year Plan period, we should facilitate the establishment of the socialist production methodology (saengsan pangsik) by further strengthening the victorious socialist relations of production, and by carrying out successfully the tasks of technological revolution and socialist industrialization.

The First Five-Year Plan and the Second Five-Year Plan thus do not simply constitute two continuous prospective plans, but are distinct in that they represent two different stages of socialist construction in our country.

With a view to further fortifying the results already achieved and making thorough preparations for raising socialist construction to a higher level, our Party has set aside 1960 as the adjustment period.

The basic problems to be solved during the adjustment period have posed new, important tasks for our industry, the leading sector of our national economy. Our industry should concentrate its efforts on the mechanization of agricultural operations and on a rapid rise in the living standards of the people; furthermore, it should increase industrial production by employing currently existing facilities. (Kulloja, No 1, January 1960, pages 22-33).

Role of Local Government

[The following are excerpts from an article by Kim Yong-sop, "For the Enhancement of the Role of Local Government Organs in Organizing and Guiding Economic Tasks," Kyongje Konsol, No 12, December 1959, pages 15-19.]

With the prospective Second Five-Year Plan in mind, the December 1959 Expanded Plenary Session of the Party

Central Committee has proposed the important task of improving and strengthening the work of local government organs to conform to changed circumstances.

One of the central problems inherent in this task is to further strengthen local government organs in their function as an economic organizer in local regions and, in particular, to effect a decisive improvement in their planning level.

The local government organs should ensure further growth in production and should more adequately meet the material and cultural needs of the people by thoroughly implementing the socialist principle of management in their economic activities, i.e., by carrying out production, accumulation, distribution, and consumption according to comprehensive plans.

The enhancement of the planning level of local government organs calls for a correct understanding of the basic objectives of economic tasks as they are proposed by the Party in each stage of economic development; moreover, these tasks must be thoroughly implemented by local government organs on an individual and creative basis, in accord with their respective local conditions.

It also calls for a thorough scientific analysis of the mutual relations between production and distribution, with emphasis given to the former; at the same time, the relations between the consumption and accumulation in distribution, and between demand and supply in consumption must be thoroughly analyzed. Moreover, local government organs must strictly adhere to the principle of meeting the requirements for supplies, labor, and funds essentially from their own resources.

This is an urgent requirement since the scope of the functions of the local people's councils today comprises not only the agricultural sector but also the industrial sector, the construction sector, the commodity-circulation sector, and other sectors.

But this requirement has not been satisfactorily met in the past. For example, in the course of implementing the 1959 plans, some local government organs failed to use the wild raw materials available in rural areas in the

production of fabrics. Instead, they produced "mosquito nets" in large quantities with the use of raw materials supplied by the State, and hoarded most of these "mosquito nets."

Moreover, the production of fabrics fell far behind [production plans].

This is a concrete indication that, in the original planning stage, the local government did not perform a careful analysis of such factors as the availability of raw materials, the means to solve the raw materials shortage, the level of technology, the labor supply problem, the purchasing power of the people, and the changes in consumer goods demanded by the people.

The requirement that the central key of each economic task be firmly grasped and envisaged in the planning stage is of equal importance. The central key must be determined before the local government organs can concentrate their labor, supplies, funds, and efforts on such key projects.

But our experience indicates that, failing to meet this requirement, a considerable number of provincial, city, and kun people's councils spread out their labor, supplies, and funds too thinly among many projects; the result was that none of the key projects were satisfactorily implemented.

It is also essential that the concrete government organs be fully taken into account when plans are worked out. But many local government organs failed to perform this task and worked out their plans either through abstract arm-chair thinking or by rule-of-thumb.

It must be pointed out here that this kind of planning results in grave consequences for the over-all development of the national economy, not to mention the inherently unrealistic nature of such plans.

For example, it is obvious that great confusion and harmful consequences will result from plans which do not take their respective key requirements into account, e.g., the labor balance in production and construction plans, the fodder balance in livestock plans, or the seedling supply situation in vegetable production plans. Correct

statistical work and analysis on the one hand and their effective use on the other are additional essential requirements for adequate planning.

But due to the lack of seriousness in the attitude in which this task has been confronted, some provincial, city, and kun people's councils not only recorded scientifically untenable and "empty" statistics but also failed to put various statistics to effective use.

Furthermore, neither the organization of statistical tasks nor an adequate control over statistics, which are both necessary for the implementation of drafted plans, have been satisfactorily carried out.

All of these shortcomings are indicative of the low level of the work of the local people's councils and are directly related to the weakness of the work of the local planning commissions.

In the past, local government organs have been singularly unaware of the importance of the role of local planning commissions, although the latter constitute "a staff of military operations." As a result, little attention has been paid to strengthening these commissions.

Consequently, some city and kun people's councils staffed the planning commissions with junior or senior middle school graduates who had no experience even in elementary economic guidance; worse still, in many cases, these officials were entrusted with secondary tasks other than planning and the need for further guiding and training these officials was not met.

It is for this reason that the recent Plenum emphasized the further strengthening of the local government organs in regard to the level of their planning.

The most urgent current task, therefore, is to reorganize the local planning commissions with experienced, competent officials and to further raise their level of skill in planning.

Another prerequisite for improving the work of local government organs is to improve their organizational and administrative work. The practical effect of the policies

of the Party depends on how well the work related to the execution of these policies is organized and administered; in particular, it depends on the extent to which the masses are organized and mobilized for the execution of these policies.

In the past this requirement has not been met satisfactorily. Some officials regarded themselves merely as officials and performed their daily work without giving much consideration to the fact that they were under a mandate to execute Party policies thoroughly, i. e., as revolutionaries and political activists.

Local government organs are the executors of Party policies and the organizers and leaders of economic and cultural work.

The provincial people's councils should satisfactorily perform their functions of guiding city and kun (borough) people's councils; they should independently undertake the organization and guidance of economic development and educational-cultural affairs within their provinces, and should directly organize, control, and operate provincial enterprises and other enterprises directly under the jurisdiction of the provinces. City and kun (borough) people's councils should perform their functions of organizing and executing concrete economic and cultural tasks, since they are the immediate administrative units entrusted with these tasks.

Throughout the course of discharging their functions, local government organs should organically relate their work to the mass of the people.

Any field-guidance work resembling "pleasure trips" should be sternly checked and the guiding officials should have thorough prior preparation before undertaking any on-the-spot guidance.

On the other hand, although their work is done for the benefit of the people, they should not guide the people by "commanding and ordering" in a bureaucratic manner, but by persuasion and reorientation.

Finally, we must refer to the fact that, as Premier Kim Il-song has pointed out, no official can guide the people without personally knowing "how to organize stores, how to organize industry, how to manage livestock farms, why cold-bed nursed rice is planted, etc."

Local government officials are also required to possess the knowledge necessary for socialist economic control and management. Where many local industrial plants have been established, it is possible for the local government officials to manage and operate the socialist economy systematically and on the basis of scientific planning only if they have familiarized themselves with the methods of socialist economic management and possess advanced technological knowledge.

The Party has called on these officials to study at least three to four hours a day. It has come to the fore that in the past some kun officials did not read even a single book in the course of an entire year. Concrete provisions should be made for the regularization of daily study by leading officials of local governments. Moreover, systematic and concrete controls should be exercised over their study. (Kyongje Konsol, No 12, December 1959, pages 15-19)

II. INDUSTRY

Achievements and Targets of Machine Industry

[The following are excerpts from an article by Ch'oe Chae-wu, Minister of Machine Industry, "Achievements of the Machine Industry During the First Five-Year Plan Period," Kigye Kongop, No 10, October 1959, pages 1-4.]

Socialist construction in our country is at present proceeding at a rate unprecedented in our history. In 1958 the gross value of production of State and cooperative industries increased to twice the 1956 level, and that of the first half of 1959 was 2.9 times the corresponding period of 1956.

Industrial production in our country has increased at an annual rate of 40 percent; and during the first half of 1959, it increased by as much as 75 percent over the corresponding period of 1958.

In particular, during the first half of 1959, the output of pig iron increased 130 percent; structural steel, 32 percent; metal-cutting machine tools, 440 percent; cement, 82 percent; and fabrics, 36 percent, respectively, over the corresponding period of 1958.

At the same time, the material and cultural life of the people has shown considerable improvement. During the first half of 1959, the cash wages of workers, office employees, and technicians increased 43 percent over the corresponding period of 1958.

While adhering to the basic principle of the primary development of heavy industry and the simultaneous development of light industry and agriculture, the Party has put enormous effort into the development of the machine industry.

As a result the gross value of industrial production in the first half of 1959 was four times that of the

first half of 1956 and twice that of the corresponding period of 1958.

As for the rate of growth [probably in terms of production value], during the one-year period from July 1958 through the first half of 1959, it increased to 27 times the pre-liberation 1944 level, 18 times the 1949 level, 20 times the 1953 level, and 3 times the 1956 level.

Thus, during the First Five-Year Plan period, the machine industry established a material-technological foundation capable of playing a decisive role in building the foundation for a self-sufficient national economy.

At present the machine is turning out the following items which had not been produced in the past: vehicles, bulldozers, tractors, excavators, electrical equipment, mining equipment, farm implements, construction machinery, machine tools, electric motors, engineering tools (kong-gu) and maintenance tools (chigu).

In contrast to the pre-liberation period, when even simple farm implements were not satisfactorily produced, today the machine industry is not only producing most of the machine facilities and spare parts needed in the country, but is also producing various kinds of medium machinery and precision equipment which are required for an advanced technology.

Between 1957 and the first half of 1959, the machine industry produced and supplied a total of more than 6,500 tons of metallurgical facilities, including blast furnaces, coke ovens, and thick and thin-plate rolling mills for the Hwanghae Iron Works; coke ovens, converters and "honsollo" for the Kimch'aek Iron Works; and "sonjae" [structural iron or shipbuilding material?] and rolling mills and their spare parts for the Kangson Steel Works and the Songjin Steel Works (total tonnage excluding electric motors and transformers).

During the same period, it also supplied coal mines and mineral mines with 287 hoists, 303 air compressors, 186 crushing and grinding machines, 6,426 rock drills, 177 test boring machines, and 5,257 tons of spare parts.

During the same period, it supplied the agricultural sector, as well as other sectors of the national economy, with 2,340 pumps of various sizes, 18,380 electric motors, 2,449 machine tools, 553 motorized boats, 1,739 non-motorized boats, 19,256 sewing machines, 178,530 amplifiers [p. a. system], 1,897 radios, etc.

The 171 new products produced during this period, which are being manufactured in large quantities include eight kinds of machine tools, including SU-50 lathes and milling machines, 4,000 kva generators, 36" and 40" centrifugal pumps, 1,320 kw electric motors, rolling mills, refrigerating machines, automobile cranes, electric locomotives, TP-4 rock drills, and 300-ton-class cargo boats.

The many facilities constructed during the First Five-Year Plan period include such modern plants as the Huich'on Machine Tool Plant, the Wunsan Engineering Tool Plant, the P'yongyang Precision Equipment Plant, the Kusong Machine Tool Plant, the 10,780m² forging shop of the Pukjung Machine Plant, the 6,600m² small molding (chogi) shop and pipe-making shop of the Yongsong Machine Plant, the transformer shop of the Taean Electric Plant, and the tunnel furnace [possibly referring to rotary kiln] of the Chuul Electric Plant.

In addition, construction in successful progress includes the tractor shop of the Kiyang Machine Plant, the Tokch'on Automobile Plant, the Huich'on Precision Equipment Plant, the "taehyong" [literally large-size machine] shop of the Yongsong Machine Plant, the "taehyong" shop of the Taean Electric Plant, the cable "kyegi" [repeater or gauge], and tool shops of the P'yongyang Electric Plant, the bearing shop of the P'yongyang Precision Equipment Plant, and a 10,000-ton-class dock in the Namp'o Shipbuilding Yard.

In particular, during this period, there was an increase in the capacity of electric furnaces and molten iron furnaces (yongsonro); the number of machine tools in operation grew considerably, and such completely automated large-scale facilities as 8-meter turning lathes (t'aningban) and 6-meter gear-hobbing machines began operation. This marked a turning point in the development of the machine industry.

At the same time that the Party has strengthened the material-technological foundation of the machine industry, it has also endeavored to train an increasing number of technical personnel.

By the end of the first half of 1959, the total number of employees in the machine industry (ministry-wise) was 80 percent greater than the corresponding figure for the previous year; this was more than 7 times the 1949 level.

Labor productivity in the production sector of the machine industry at the end of the first half of 1959 was 31 percent higher than the rate at the end of the first half of 1958, and 93 percent higher than in 1949; in the construction sector, it was 29 percent higher than at the end of the first half of 1958, and 50.7 percent higher than in 1956.

Thanks to the invaluable efforts of the Party, the cash wages of the workers, technicians, and office employees of the machine industry at the end of the first half of 1959 had increased 48.1 percent over those of the previous year.

The utility rate of facilities for the Ministry as a whole increased from 40.9 percent at the end of 1957 to 62 percent at the end of the first half of 1959 and to 65.1 percent at the end of July 1959.

In addition, during the same period, 6,309 new designs were introduced into production processes. Among others, these included the forceful (kangnyok) cutting method, the colloidal graphite iron casting method, the precision casting method, the introduction of "saenghyong," the introduction of punch (shut'amp'u) into forging operations, the installation of heat blowers in molten pig iron furnaces, the method of the prompt drying of the casting frame, the centrifugal casting method, etc. (Kigye Kongop, No 10, October 1959, pages 1-4)

[The following are excerpts from the editorial,
"Let Us Successfully Carry Out the Central Tasks Laid
Before Machine Industry for the Adjustment Period,"
Kigye Kongop, No 12, December 1959, pages 1-3]

Our Party has proposed the mechanization of agricultural operations as the primary central task for the adjustment period of 1960.

It is only through the mechanization of agricultural operations that agricultural production can be raised at a phenomenal rate, that agricultural management can be raised to a par with industry--which is undergoing rapid development--and that the ideological consciousness of the members of agricultural cooperatives can be more rapidly transformed.

These needs have led the Party to entrust the machine industry with the task of using all available existing facilities for the production and supply of large quantities of modern farm machinery and implements; thus, the mechanization of agricultural operations will be accelerated.

Accordingly, for 1960, the task of supplying 3,000 tractors, 3,000 trucks, and many modern motorized and animal-drawn farm implements and parts, such as wheat-barley harvesters and combine threshers (chonghap t'al-gokki); these are implements suitable to rural conditions by virtue of their simplicity and sturdiness.

Another important task for the machine industry during the adjustment period is to assist the mining industry to increase the production of useful (yuyong) and high-grade ores in order to earn more foreign exchange through the export of these ores. To this end, the machine industry should supply 6,000 rock drills, as well as excavators, air compressors, hoists, mine facilities, transport facilities, and various spare parts for mining equipment.

Today, the facilities of the machine industry are adequate to carry out these tasks. It has produced medium machinery and precision equipment; it has also produced nearly 10,000 machine tools through the machine

tool reproduction movement.

But there have been many shortcomings in the machine industry. It has attempted to fulfill production plans exclusively through an absolute increase in the labor force and through the expansion of machine facilities, rather than through the mechanization and improvement of existing machine facilities; as a result, the machine industry has brought about grave consequences, including a reduction in the utility rate of facilities and the lowering of labor productivity.

The Huich'on Precision Equipment Plant, for example, indulged in immediate production in place of strengthening the technical facilities which take precedence over production. It spread out construction of molding shops and casting shops at the expense of engineering tool shops and maintenance shops.

In September 1959, the Plant produced only 83.9 percent of what was produced in September 1958, even though the working force had increased by 1,100 members and the number of machine tools had increased by 57 sets during that one-year period.

An especially poor organization of management caused severe fluctuations in production, e.g., 26.4 percent in April 1959, 101.2 percent in May, 36.2 percent in September, and 102 percent in October.

As a result, the utility rate of facilities continues to remain at a low 52 percent; moreover, labor productivity declined from 111.7 percent in the first quarter of 1959 to 85.9 percent in the third quarter.

This situation should not continue unremedied.

Another important task for 1960 is to increase production through an increase in labor productivity; this is to be effected by means of a rational organization of labor where an increase in the labor force is not anticipated, as well as through the maximum utilization of production facilities and production space.

To this end, the improvement of technological facilities should take precedence over production. Labor productivity cannot be increased, nor can farm machinery and mining equipment be produced in large quantities, until the technological facilities for the production of various working tools, maintenance tools, "hyongt'a" [literally frame punch] and single-purpose equipment have been strengthened.

For the same reason, it is very important to concentrate efforts on completing within the shortest period the technological facilities required for the production of 3,000 trucks and 3,000 tractors.

To enhance the skill levels of the workers, the turnover of workers in the machine industry should be kept at a minimum, and each skilled worker should assume responsibility for the training of one or more unskilled workers.

The improvement of the quality of products is another important task for the machine industry in 1960. It should be pointed out that the poor quality of farm machinery and mining equipment produced by the machine industry in the past has not only resulted in a great waste of materials and labor, but has also greatly impeded the development of industry and extractive industries.

To this end, standard operational procedures should be strictly observed; moreover, double or even triple inspections of products should be enforced from the designing stage through the stage during which the final product is turned out. (Kigye Kongop, No 12, December 1959, pages 1-3)

Coal Output

[The following are excerpts from an editorial, "Achievements of the Coal Industry," Sokt'an Kongop, No 8, September 1959, pages 2-4.]

Under the People's Government, which was established following the national liberation in 1945, there has been a marked increase in labor productivity in the coal industry. By the first half of 1950, the output of bituminous coal had increased 4.4 times and that of anthracite coal 3.5 times the 1946 level. By the end of 1950, the end of the Two-Year Plan, the output of coal was expected to exceed the 1944 level.

However, severe damages were inflicted during the Korean War. A total of 70 percent of all the galleries was either submerged or collapsed and about half of the compressors, hoists, and drain facilities were destroyed.

During the Three-Year economic reconstruction period, many of those damaged mines were rehabilitated, and in 1956 with a vast amount of capital construction investment, the output of coal rose to 5.5 times the 1953 level.

In accordance with the decisions of the Third Party Congress, which set forth the tasks of the First Five-Year Plan, the drilling of basic galleries--a requirement to be met prior to actual mining--was actively carried out. In particular, the high-speed drilling movement, initiated by Comrade Kim Chik-hyon, a hero of labor, was widely extended; and the ranks participating in this movement have now increased to 21 times those in the early part of 1957.

As a result, large-scale gallery construction was carried out at bituminous mines, including the Aoji, Kogonwon, Koch'am, and Anju coal mines; it was also carried out at anthracite mines, including the Sinch'ang, Yongdung, Kaech'on, Chonch'on, Songnam, Hyongbong, Yongmun, and Kowon coal mines. As a result, the total extension of inclined galleries (sagaeng) and electric cart galleries (chonch'agaeng) has now increased to 11.4 times that of 1955.

With a view to establishing a concentrated transport system in galleries, a movement for the perpetuation of galleries--which is a prerequisite for their standardization--was actively carried out. As a result, at present the total extension of permanent galleries is 14.3 times that of 1955, and the proportion of the extension of permanent galleries to that of galleries as a whole

increased from 5.3 percent in 1955 to the present 32.5 percent.

The basic galleries of our coal mines are now built with concrete, blocks, concrete "tongbal," and steel arches, and the galleries of anthracite mines which have hard rock layers are paved by means of mortar spraying. Modern galleries are thus being built on a permanent basis and like underground palaces, they are immune to either heavy subterranean pressure or collapse.

At the same time, the mechanization of transport and loading operations in existing coal mines has been considerably facilitated. As a result of the bold introduction of chain conveyors, belt conveyors, electric carts, endlesses, hoists, and loading machines, the machine facilities of coal mines have been considerably expanded.

As a result, in 1958 the mechanization of transport operations in mining sites rose to 3.7 times the 1956 level; moreover, the proportion of the work load in transport operations performed by machinery to the total work load in transport operations increased from 11 percent in 1956 to 28 percent in 1958.

In 1958, the mechanization of transport operations over flat roads (p'yondo) increased to 13.6 times the 1956 level; thus, the proportion of mechanized operations to operations as a whole increased from 14.4 percent in 1956 to 88.5 percent in 1958.

In 1958, the mechanization of loading operations increased to 398 percent of 1957; and the proportion of mechanized operations to total loading operations increased from 7.8 percent in 1957 to 35 percent [in 1958].

Various standard mining methods were also introduced. In 1958, the introduction of standard mining methods increased to 532 percent of 1956, and the proportion of coal output by means of standard mining methods to total coal output increased from 14 percent in 1956 to 46 percent in 1958.

In addition, the hydraulic coal-mining method began to be introduced at the beginning of 1959. Ten coal mines,

including Aoji, Anju and Hyongbong, which had already completed the introduction of hydraulic facilities (suryok-hwa) in some mine sections, are now striving to extend it to all their coal mining operations. Hydraulic coal mining is being successfully realized in the Anju and Hyongbong coal mines.

Along with the introduction of these new technical facilities, measures have been taken to improve labor protection and labor safety; as a result ventilation into galleries has been improved and accidents have been considerably reduced.

The supply of labor protection equipment has increased radically; it increased to 12.7 times the 1956 level, and that of artificial respiratory equipment increased 5 times.

At the same time, in response to the appeal of the Party, young builders of socialism are now engaged in the development of coal mines in northern P'yongan-namdo and northern Hamgyong-pukto, at such places as Songnam, Chikdong, Ch'on-song, Mujindae, Chenam, P'ungin, and Hullyung. They have achieved considerable results.

In addition to the Hyongbong Coal Mine, where mining operations have begun, many new coal mines are expected to initiate operations in the near future.

As a result of these achievements, which were made in the course of implementing the decisions of the Third Party Congress, the output of coal has rapidly increased.

In 1958, the output of coal increased 66.5 percent over 1956; the increase was 67 percent for B lump coal and 75.5 percent for A lump coal. During the first half of 1959, the output of coal increased 39.4 percent over the corresponding period in 1958; the output of bituminous coal increased 40 percent and that of anthracite coal, 39 percent.

This rapid increase in coal production is mainly attributable to the realization of concentrated coal extraction. To begin with, there were no mines in 1956 with an annual production capacity of more than 500,000 tons. But in 1959, the number of mines with such a capacity accounted for 18.4 percent of the total number of coal mines. In terms of output, these mines now account for 48 percent of the total output of coal.

Conversely, coal mines with an annual production capacity of less than 100,000 tons accounted for 20.7 percent of the total coal output in 1956. But in 1959, their share in total output came to only four percent.

The same is true of the output of coal per unit pit. There was only one pit in 1955 with an annual production capacity of 300,000 tons; but in 1959 the output of coal by pits with an annual production capacity of more than 300,000 tons accounted for 43.8 percent of the total output of coal. At the same time, the output of mining sites with an annual production capacity of 100,000 tons or more accounted for 64 percent of the total output of coal.

The coal industry in our country has thus been building the sound fuel base which is necessary for socialist industrialization. But it still lags behind the development of other industries and is not yet able to satisfactorily meet the coal requirements of the people's economy and of the people. (Sokt'an Kongop, No 8, September 1959, pages 2-4)

Coal Output

[The following are excerpts from the editorial, "Let Us Thoroughly Execute in the Sector of Coal Industry the Decisions of the December 1959 Expanded Plenary Session of the Party Central Committee," Sokt'an Kongop, No 11, December 1959, pages 1-3.]

During the postwar period, industrial production increased at an annual rate of 42 percent. In 1959, it is expected to increase another 50 percent over 1958, and by the end of 1959, the First Five-Year Plan will have been fulfilled by 113.2 percent [in terms of gross value of industrial production].

In the rural economy, irrigation has been basically completed, and the 1959 output of food grains is expected to increase 17 percent over 1958.

The Plenum has pointed out that in the course of achieving these results, the implementation of economic plans gave rise to certain defects in some areas of the national economy.

Some leading officials of economic organs have failed to exercise adequate control over the implementation of economic plans. Moreover, by spreading out efforts thinly over too many projects, without adequate prior determination of priorities, a considerable amount of labor and supplies was wasted.

In the coal industry, the Yongdung Coal Mine, the Anju Coal Mine, and a considerable number of other coal mines irresponsibly invested an enormous amount of labor in the construction of new pits, rather than further developing existing pits. Not only did this impede the development of existing galleries, but it was also a basic cause of the failure to fulfill coal production plans.

The coal industry was mentioned at the Plenum as one of the sectors which should be improved during the adjustment period of 1960. The Plenum has proposed that in 1960 the gross value of the production of the coal industry be raised 12.5 percent above the 1959 level and that coal output be increased by 17.6 percent over 1959.

The fulfillment of this task calls for strict observance of the directions set forth by the Plenum. As for the coal industry, this means that

1. efforts should not be spread out; instead, a major effort should be made in drilling operations, which should take precedence over all other operations in coal mines;

2. the annual examinations of operations at each coal mine should not end up with a mere numerical evaluation of production figures or with a mere indication that shortcomings exist; rather, shortcomings should be fully analyzed through these examinations and counter-measures for improvements should be planned accordingly;

3. production should be increased "not through an absolute increase in the labor force, but through an increase in the utility rate of existing facilities and through the economization of raw materials and supplies." To this end, efforts should be concentrated on the construction of existing pits--especially of important ones--so that they can attain their designed production capacity; moreover, facilities, labor, and supplies should be systematically distributed;

4. labor productivity should be raised through further mechanization and automation of operations; and

5. the quality of coal should be decisively improved during the adjustment period of 1960. (Sokt'an Kongop, No 11, December 1959, pages 1-3)

Metal Industry

[The following are excerpts from an article by Chon Se-hun, "Production Increase Through the Enhancement of Labor Productivity is the Key to the Implementation of Economic Tasks for 1960," Kumsok Kongop, No 11, December 1959, pages 1-3]

In the past, without an accurate knowledge of the number of workers needed to produce a unit output of steel or other products, some leading officials of the Ministry simply requested the State to supply more workers. Although such requests were granted and the labor force was increased in 1959, labor productivity during January through September fell considerably below the level of the previous year. Not only did this result in a great waste of labor, but it also caused numerous grave errors in labor administration.

The implementation of the tasks for 1960 calls for a great improvement in the organization of labor and production. The augmentation of the labor force was greatest in the industrial sectors, but it was not well distributed among the various sections within an industry.

The additional members of the labor force were mostly assigned to nonproductive and auxiliary sections, rather than to productive section. Thus, in effect, the proportion of the workers in the basic productive sections was considerably reduced.

In 1959, for the Ministry as a whole, the working force in the basic productive sections fell four percent below the 1958 level; as a result, thousands of additional workers were assigned to nonproductive and auxiliary sections.

Between June 1958 and September 1959, for example, the working force of the Hwanghae Iron Works as a whole increased 115.5 percent. But that of the basic productive section increased only 89.8 percent, while the corresponding rates were 146.8 percent in the maintenance and repair section, 148.5 percent in the power section, and 189.2 percent in the transport section.

This is the concrete result of the failure of the leading officials of the Works to fully understand the basic directive of the Party, i. e., that healthy members of the working force should be primarily concentrated in the basic productive sections and that the proportion of the working force in the basic productive sections should be enlarged.

The labor force was also badly managed in regard to construction. The Hwanghae Iron Works and other metal plants spread out many new constructions instead of strengthening the management of existing production facilities; as a result, they failed to produce steel, rolled steel products, and spare parts on schedule. Consequently, during July and August 1959 alone, machine failures caused the loss of 50,000 tons of steel, which would otherwise have been produced.

Mechanization, which is an essential prerequisite for increasing labor productivity, should be introduced in areas where small-scale mechanization can be easily carried out. From this point, there should be a gradual movement towards more comprehensive mechanization as well as towards semi-automation and automation.

The problem of the shortage of skilled workers should essentially be solved by the enterprises themselves. It must be pointed out that in the past the Holdong Mine and some other mines continued to wait for their superior organs to supply them with skilled workers, without making any efforts of their own.

It has been our bitter experience in 1959 that, due to the shortage of trained operators, excavators and trucks have not fully utilized.

An increase in labor productivity also calls for a further improvement in the standardization of work norms and for the correction of wage payments made on an equalitarian basis [average-ism in the text]. (Kumsok Kongop, No 11, December 1959, pages 1-3)

[The following is a summary of an article by Kang Hyon-mo, Chief, Bureau of Engineering and Power (kongmu tongnyokkuk), "Let Us Further Raise the Utility Rate of Existing Facilities," Kumsok Kongop, No 10, November 1959, pages 5-6.]

In spite of certain improvements achieved in the past in the utility rate of existing facilities in the metal industry, the rate at some plants has actually been lowered. During the first half of 1959, for example, the utility rates of the No 1 Blast Furnace of the Hwanghae Iron Works fell to 75 percent and 88 percent respectively of those of the previous year.

In addition, the quantity of ore extracted per rock drill and grinder has also decreased in some mines. The duration of work stoppages due to difficulties with blast furnaces, rolling mills, and hoists actually increased in the second quarter of 1959, as compared with the first quarter.

The situation calls for radical improvements in the direction of raising the utility rate of existing facilities. In particular, it calls for 1. regular inspection of facilities and 2. systematic preventive repair

work on defective parts of facilities as they are discovered through inspection. (Kumsok Kongop, No 10, November 1959, pages 5-6)

III. AGRICULTURE

Livestock Planning

[The following is a summary of an article "Livestock Planning in Accordance with New Situation" by Pak Kon, Kyongje Kongsol, No 11, November 1959, pages 24-28.]

Important decisions were adopted at the 1959 June Plenary Session of the Party Central Committee with regard to laying a firm foundation for the livestock industry; it was decided to improve and strengthen the planned development of the livestock industry with a view to meeting the new demands for socialist construction.

Our livestock industry is based on socialist, large-scale operations. The material and technological foundations of stat-operated agricultural and livestock farms, as well as of agricultural cooperatives, have been constantly strengthened.

Since the food grain problem has already been solved, conditions are favorable for creating firm fodder bases. With the support of heavy industry, it is now possible to mechanize the livestock industry.

In livestock planning, it is important to mobilize and utilize all the newly created conditions and potentialities in laying firm material foundations for the implementation of the Party policy on the livestock industry. The socialist livestock industry cannot be founded on unreliable fodder bases and on outdated handicraft techniques. The socialist livestock industry can be developed only on the basis of firm fodder bases and on a foundation of planned production, distribution, and consumption which is based on new techniques.

The initial stage of livestock planning consists of defining basic fodder crops and basic livestock. It was

stressed at the June Plenary Session that "fodder bases should be created by making use of all potentialities" and that "various livestock products should be turned out by raising various livestock most suited to the localities concerned and most profitable in view of natural and economic conditions, including fodder sources."

It goes without saying that the direction and scale of the development of livestock, e. e., what livestock should be raised and in what quantity, and what livestock products should be produced and how much should be produced, will be entirely dependent upon the kinds of fodders available and on the output of fodders. Since Korea is limited in arable-land and pasture area, it is important that two-crop methods be adopted.

In the past, since the food-grain problem had not yet been solved and modern-type farm implements were not yet available in sufficient quantities, it was important to apply the two-crop method only to land that had been planted with grain crops and potatoes. Now that the food-grain problem has been solved, it is possible to adopt two-crop methods for the cultivation of various crops.

The June Plenary Session emphasized the wide-scale adoption of two-crop methods in order to constantly increase the output of food-grains and other basic crops; it also stressed the fact that fodder crops should be raised on a great scale by planting them either before or after or alongside of main crops.

One important approach is to expand the area of land under wheat cultivation to the maximum extent and to raise Indian corn and soy-beans after the wheat crop has been harvested. In locations suitable to the cultivation of potatoes, the area under this crop should be expanded and Indian corn and soybeans should be raised either alongside of potatoes, or after the latter crop has been reaped.

It was also suggested at the June Plenary Session that, before rice, cotton, tobacco, and sweet potato seedlings are transplanted, such fodder crops as barley

and pea should be planted in order to solve the exceedingly difficult problem of spring fodder.

In the past, paddy fields remained unused for about half a year between the time when rice was reaped and seedlings were transplanted; the situation was roughly the same with industrial crops. At present the land to be planted with these crops is used profitably through the raising of fodder crops. The adoption of two-crop methods, has also made it possible to raise livestock on a large scale on plains.

As a result of the adoption of two-crop farming methods, the following are now used as main fodder crops: wheat and similar crops (maekyu), peas, vegetables, Indian corn, soybean, ddukkamja [a type of wild potatoes?], and grass (mokch'o). The more important crops are wheat and similar crops which are planted prior to basic crops, and Indian corn which is planted after basic crops.

In view of the available fodder and the natural or climatic conditions, rabbits, sheep, goats, and dairy cows should be raised as basic livestock in mountainous or hilly regions; hens should be raised in level regions, and poultry and dairy cows should be raised in urban areas and workers' districts. After the problem of fodder shortage has been solved, dairy cows, pigs, and poultry may be raised everywhere as basic livestock.

In agricultural cooperatives and state-operated agricultural and livestock farms that are blessed with conditions favorable to livestock raising, agriculture should be subordinated to livestock raising, with emphasis upon basic livestock. For instance, in agricultural cooperatives and state-operated farms situated close to cities, emphasis should be placed upon dairy cows or poultry; in agricultural cooperatives located in mountainous or hilly regions, the emphasis should be on sheep or dairy cows; and in in-between areas, where much of the land is used for dry fields and little land is used for paddy fields, agricultural cooperatives should devote much of their work to raising pigs.

The determination of the number of livestock to be raised and the calculation of the output of livestock products to be turned out constitute basic items in drawing up livestock plans. The Party has proposed that by 1961 the output of meat be raised to 400,000 tons, and that of milk to 460,000 tons; it has also proposed that 1,500,000,000 eggs be produced and that the number of livestock kept by agricultural cooperatives be increased to 1,000,000 cows, 4,000,000 pigs, and 600,000 to 700,000 sheep and goats.

To fulfill these vast plans, it is necessary to take bold measures to increase the number of livestock to the maximum possible extent. In state-operated agricultural and livestock farms, measures should be taken (in connection with setting the relative numbers of male and female animals kept for breeding purposes, as well the numbers of supplementary livestock, yearlings, and animals to be fattened) to assure that reproduction will occur at a rapid pace.

In the case of the male and female animals kept for breeding purposes, it is particularly important that measures be taken to secure an adequate number of these animals and that the period of their usefulness be lengthened.

Supplementary livestock should be kept in accordance with long-range plans, and most of the livestock should be well-bred and weaned.

In order to effect a rapid increase in the number of yearlings, every kind of advanced method should be used to increase the frequency of parturition and the number of offspring at each birth. Measures should be taken for pigs to give birth more than five times in a two-year period and for sheep to give birth more than three times in the same period of time; moreover, measures for artificial fertilization and artificial feeding should be carried out.

The disposal of surplus livestock should be carried out with caution until the required number of basic livestock has been secured. Weaned animals, that have little productivity or are not suitable for use as breeders, should be fattened and disposed of as the need arises.

At the same time, natural conditions (duration of pregnancy, maturation, duration of usefulness, etc.) and organizational and economic conditions (periods of purchasing, organization of pregnancy and birth, methods of fattening and its duration, etc.) should be taken into account in accelerating the rate of reproduction.

The output of livestock products should be raised by increasing the number of livestock and by adopting advanced techniques, including improvements in breeds, care of livestock, veterinary treatment and epidemic prevention, and fertility.

The improvement of the breed is one of the important methods for assuring maximum output at minimum cost. Thus far, the improvement of the breed has been effected through mating, either "in-and-in" or "out-and-out" breeding. But at present, in view of changed conditions, the increasing demand for livestock products cannot be successfully met by using this method alone.

Hence, it is necessary to improve breeds by another method, i.e., by adopting advanced methods of livestock raising. For example, it would take more than ten years or several decades to raise the output of milk to 460,000 tons [per year] by crossing Korean cows and foreign breeders or by importing dairy cows from abroad. It is necessary to resort to radical methods and to make rapid progress in order to fulfill the tasks assigned to the livestock industry by 1961.

Livestock breeds can be improved by feeding them on the right kind of fodder, by making them take appropriate types of exercise, and by caring for them properly. This method has the advantage of being applicable to all livestock at the same time.

In the course of converting Korean cattle into dairy cows, we succeeded in inducing them to produce one to two kilograms of milk per day by feeding them on the right kind of fodder and by caring for them properly. The same method applies to raising chickens. By caring for them properly, we have achieved a remarkable increase in the output of eggs and meat.

At many agricultural colleges, there are hens that produce five eggs a day. In Hwarung Province in China, which is adjacent to Korea, there are hens that lay as many as ten eggs a day. The hens that produce five to ten eggs a day are not old breeds, but new ones.

Another item of importance in livestock raising is the selection of breeding stock. The breeding stock selected should be suitable for the locality concerned; their productivity or fertility, their pedigree, and their influence on their posterity should all be taken into account. In principle, the breeding stock should be of the same breed as the females.

At agricultural enterprises, breeding is conducted by substituting new and better breeds for indigenous ones. This approach should be encouraged as an important innovation.

Thus far, breeding and delivery have taken place in spring and autumn. This method, necessitated by the lack of foodgrains, proved profitable when the number of livestock was small. Now the situation is radically different: stable fodder bases have been created; a remarkable increase in the number of livestock has occurred; and the material and technical foundation for expanding the livestock industry has been constantly enhanced. It is now possible to breed throughout the entire year, rather than only twice a year, in spring and in autumn.

Objections have been raised to year-round breeding on the ground that workers in charge of livestock will have to take care of various animals at the same time, e.g., female stock ready to be mated, females about to give birth, females with sucklings, and young animals. This complaint makes sense only when the number of livestock is comparatively small.

Since livestock raising is now being operated on a large scale, pregnant females can be divided into several groups, so that each group can be delivered of its offspring in the same month.

Thus, stock raising workers can divide the labor among themselves; some of them can take care of the females that

are ready to give birth; others can look after the young animals, etc. As a result, the outlay of labor and the use of various types of animal barns will be spread out evenly throughout the year.

In planning breeding and delivery, the problem of cost should be taken into consideration. The most important item in the cost of stock raising is fodder. Plans should be drawn up to utilize natural fodder and to put livestock to grass as much as possible. Thus, costs will be reduced to a great extent.

To increase the number of livestock, barns and other facilities must be set up in advance. In 1959, it was necessary to erect 1,630,000 square meters of cattle sheds, 2,540,000 square meters of pigpens, 1,200,000 square meters of henhouses; it was also necessary to construct facilities for accommodating livestock when they are put to grass far away from the farm, storehouses for storing fodder, facilities for processing fodder, and silos.

It is also important to draw up accurate plans for the production of adequate fodder. In setting up this plan, every effort should be made to expand the acreage under fodder crop cultivation by adopting the two-crop farming method, by raising fodder crops between rows of main crops, or by growing them alongside of main crops.

At present, fodder production plans are based on the monthly consumption of fodder. But it will be impossible to meet the constantly growing demand for fodder by means of this approach. During the winter, the fodder produced in the previous year should be used; that produced in the same year should not be used. Hence, in drawing up fodder production plans, we must take into account the amount of fodder to be consumed in the winter of the following year.

In determining the amount of fodder to be produced in the course of a year, the needs of the individual members as well as of the agricultural cooperative concerned should be taken into consideration. Since cooperative members have little free time, it is impossible for them to grow all the fodder crops they need to raise their own livestock. Their primary source of fodder is kitchen garbage.

Unless they receive fodder crops from their cooperatives, it will not be possible for them to keep more than two pigs, ten fowls, and a small number of minor livestock per household. Since the output of livestock products by cooperative members accounts for a large proportion of the total output, it will be impossible to expand the livestock industry without furnishing cooperative members with an adequate amount of fodder crops.

A portion of the fodder crops raised by a cooperative should be distributed among its membership on the basis of [or in proportion to] the work-days earned by them.

It is also important to increase the consumption of ensilage and other natural fodders in order to reduce the consumption of concentrated feed (nonghu saryo) as much as possible. Feed production should be so planned as to provide 10 tons of ensilage per dairy cow a year, 7 tons or more for draft animals, 1.8 tons for pigs, and 0.6 tons or more for sheep or goats. By these means the cost of livestock raising will be kept down by economizing on concentrated feed.

To raise the output of feed, a greater amount of wheat, Indian corn, and other fodder crops must be planted; at the same time, the labor shortage problem must be solved by mechanizing farm work, including the sowing, reaping, transportation, and threshing of grains. The harvesting of fodder crops, as well as the cutting, pulverizing, and processing of the harvested fodder crops, should also be mechanized.

In addition, farm implements should be remodeled so that they can be used in raising both crops and livestock.

The livestock production distribution plans drawn up by agricultural cooperatives indicate how much is to be consumed by cooperative members, how much is to be used by cooperatives as raw materials, and how much is to be sold. They also indicate how livestock products are to be produced. But the amounts of the products to be produced in the different seasons of the year are not included in these plans.

When the output of livestock products was small, the omission of seasonal output in distribution plans caused little or no difficulty in disposing of products. But the output of various livestock products has increased remarkably and they must now be disposed of in different seasons.

It is therefore impossible to provide consumers with these products in a satisfactory manner unless production plans are drawn up on the basis of various seasons. This plan should be set up on the basis of the rate of reproduction, as well as on purchase assignments (sumae kwaje) of the State.

Comrade Kim Il-song has stated that good-quality livestock products should be made available all the year round at moderate prices. To put this instruction into effect, production should be evenly spread out throughout the year and State-run stock farms and agricultural cooperatives should secure adequate facilities for processing livestock products, including meat, milk, and eggs. (Kyongje Konsol, No 11, November 1959, pages 24-28.)

Role of Kun United Committee

[The following is a summary of an article "What is to be Done by the Kun United Committee of Agricultural Cooperative Commerce (Nongop Hyoptong Chohap Sangop Kun Yonhap Wiwonhoe)" by Kim Ch'un-il in Sangop Sinmun, 14 January 1960.]

The Kun United Committee of Agricultural Cooperative Commerce was set up under Cabinet Order (Naegak Myong-yong) No 34. This organization is to provide guidance and assistance to agricultural cooperatives [in the kun concerned] in regard to the economic activities, finances and bookkeeping of their commercial networks. Its purpose is to induce the agricultural cooperatives and their members to be more responsible and independent in operating their stores.

In its organization and character, the Kun United Committee differs from the defunct Kun League (Kun Yon-maeng) of Consumers' Cooperative Societies (Sobijohap). While the Kun League had as its substructure (kich'ung chojik) the rural consumers' cooperative societies with their commercial enterprises, the kun united committee has no substructure. The latter is made up of [agricultural] cooperatives which control and operate commodities [stores?].

The defunct Kun League owned stores and mess halls, which were directly controlled and operated by the League. The profits or losses of these stores and mess halls were also managed by the League.

By contrast, the United Committee does not own commercial networks; the profits and losses resulting from the operation of the commercial networks will be dealt with by the agricultural cooperatives concerned.

Nevertheless, some agricultural cooperatives have failed to learn the functions of the United Committee, and since the committee has been set up, they have tried to wash their hands of the control and management of stores. Therefore, the United Committee, in providing guidance and assistance to agricultural cooperatives, should make efforts to correct these misguided attitudes.

If these attitudes are not changed, the Party line on rural commerce will not be carried out properly, and, as a result, the improvement and expansion of rural commerce will be hindered. The United Committee must see to it that Party policies on rural commerce are properly implemented; it should provide guidance and assistance to agricultural cooperatives so that the latter can properly carry out the laws, decisions and directions of the State.

In addition to guiding and assisting agricultural cooperative stores in formulating retail circulation plans and purchasing plans, the United Committee will participate in the formulation of these plans. The United Committee should therefore make a systematic study of what commodities are needed by rural inhabitants; it should make a survey of the items to be purchased and it should

collect the stores' statistical data.

The task of the Kun United Committee is to provide organization and guidance, so that retail circulation plans and farm subsidiary products purchasing plans will be fulfilled and overfulfilled. The United Committee has the important task of impressing the management committees of agricultural cooperatives and the workers of commercial networks with the fact that failure to fulfill State plans is nothing less than criminal. It must strengthen plan discipline and thoroughly explain everything pertaining to the pertinent plans.

It also behooves the United Committee to analyze and review the implementation of plans by individual stores, either occasionally or at regular intervals. The United Committee should guide and assist agricultural cooperatives by informing them of the situation in stores; this will enable them to review the implementation of plans and the operation of stores at regular intervals at the cooperatives' management committee meetings or at general membership meetings.

The United Committee should provide guidance to cooperative stores in regard to the receipt and supply of commodities. The Committee will thus do its part in improving both the supply of commodities and the commodity structure in the countryside, so that the demand of rural inhabitants for industrial goods can be adequately met.

To this end, the United Committee should guide and assist agricultural cooperatives to correctly conclude commodity receipt and supply contracts. The Committee should examine individual orders before they are sent to wholesale agencies.

The committee should also provide guidance and assistance to assure the smooth functioning of commodity transportation. In this connection, it is important to draw up transportation plans that will insure effective transportation through the utilization of the labor supply and transportation facilities of agricultural cooperatives.

The United Committee should ensure that the organization and techniques of rural commerce are improved.

Proper attention should be given to the proper organization and [geographical] distribution of commercial networks, as well as to their construction and repair.

Store facilities and implements should be kept in order and stores should be kept in good sanitary condition. The Committee should assist cooperative stores to avoid losses incurred through the failure to keep goods properly, and to avoid waste of labor by properly organizing and allocating labor.

The United Committee should provide day-by-day assistance to cooperative stores, to enable the latter to indicate correct prices to customers, to use accurate measuring instruments, to maintain strict working hours, to abolish credit sales, and to lose no time in depositing cash receipts in the bank.

The United Committee should keep the accounts of individual stores in order to maintain their independent financial balance system; moreover, it should inform the agricultural cooperatives of the financial condition of their stores. However, the agricultural cooperatives must be made aware of their responsibility toward the finances of their own stores. The Committee should improve the purchasing programs of cooperative stores so that the Party policy on purchasing can be successfully carried out. Moreover the committee should strengthen the purchasing of subsidiary foods by stores so that adequate quantities of these foods can be provided to rural areas and workers' districts.

The United Committee should enlist the cooperation of other agencies to conduct socialist competitions within stores and between stores so that a large number of stores can be designated as model stores. (Sangop Sinmun, 14 January 1960)

IV. LABOR

Management Problems

[The following is a summary of an article "Labor Management Should be Improved and Strengthened" by Mun Ch'i-su, in Nodong, No 12, December 1959, pages 10-15.]

At the December Extended Plenary Session of the Party Central Committee it was pointed out that the output of industrial products has been increasing at an annual rate of 42 percent, and that in 1959 the increase would be 50 percent over 1958.

The First Five-Year Plan is expected to be overfulfilled 113.2 percent by the end of 1959. The cash income for workers and clerical personnel in 1959 increased by 44 percent over 1958, and their real wages or take-home pay have already exceeded the level they were expected to reach in 1961.

At a time when socialist construction in Korea is entering into a new and higher stage, labor management will have to play a most important role in the implementation of the Party's economic plans. In the management of labor, the supply of labor should be allocated systematically and effectively in accordance with the Party's economic plans as a whole; and it should be the aim of labor management to raise the output of products and to contribute to the welfare of the working masses by raising labor productivity.

To achieve these ends, the supply of labor should be properly organized, work norms should be set accurately, and wage scales should be effectively established. It is also important to take steps to raise the level of techniques and skills among workers and to instruct them more effectively in production and safety.

In the past, however, there were many failures and deficiencies in the labor management field which prevented better results from being achieved. These failures were caused by officials in charge of labor management and by the responsible officials in charge of economic affairs in ministries, bureaus, and other organizations in the national capital, as well as in local people's councils; these officials failed to appreciate the importance of labor management; thus, the responsible organizations did not take measures to properly conduct labor management and went to the length of assigning those in charge of labor management to work in other areas.

At this juncture, the socialist revolution is reaching a climax; thus, it is all the more important to satisfactorily solve the labor [shortage] problem. A meeting of the Standing Committee of the Party Central Committee, 21-22 October 1959, Comrade Kim Il-song stated that the labor [shortage] problem must be solved before the output of products can be raised.

The decision adopted by the recent Plenary Session emphasized the fact that, to implement the 1960 plans, it is necessary to raise the output of products, not by increasing the amount of labor, but by utilizing production facilities to the maximum extent and by economizing raw materials.

The Party's slogan, that output be increased by making better use of the available labor supply and facilities, should be carried out more effectively. Thus, the central task for labor management is to economize labor and to improve labor productivity as rapidly as possible.

To adequately solve the labor [shortage] problem, it is important to economize the supply of labor by allocating it according to plan and in a balanced manner. It has become all the more important to solve the labor shortage problem. The demand for labor is growing with the rapid expansion of industry and construction, the full-scale development of local industry, the extensive adoption of intensive farming methods, the diversification of agriculture, and the phenomenal expansion of livestock raising. As a result, there is no surplus labor supply available either in urban areas or in the countryside.

In the past junior and senior high school graduates provided a measure of supplementary labor; but a present the situation is entirely different. The institutions of higher education have been expanded and the mandatory technical education system is now almost ready to be put into effect. Thus, for the time being high school graduates are precluded from taking jobs.

Under the circumstances, it will be impossible to further expand the people's economy without taking steps to make effective use of the labor supply through the proper allotment and management of labor.

It is the responsibility of the labor management officials to draw up accurate labor plans by correctly surveying the available sources of labor supply and by assessing the demands for labor; in this way, the supply of labor can be distributed between industry and agriculture, as well as between enterprises of the various sectors of the economy, in a balanced manner. Labor management officials will thus be spared unnecessary travail, and will not have to wear themselves out in searching for available labor sources in a desperate attempt to implement [perfunctorily] drawn-up plans.

To achieve this end, labor management officials should take an active part in drawing up labor plans; this work should not be wholly entrusted to their subordinates. The officials should keep themselves informed of the conditions in the various enterprises; thus, they will be able to offer their own views and suggestions which can be used in drawing up labor plans.

In addition, labor management officials should ensure that plans are not changed too frequently in enterprises and construction sites, that labor productivity is raised, and that the outlay of unproductive labor is reduced.

Thus, it will be possible to provide newly established enterprises with labor force without recruiting additional laborers. It is also important to continually study the way labor is being managed and utilized at various enterprises. The labor of even a single person should be kept from being wasted by effectively regulating

the outlay of labor in various sectors of the economy and in various enterprises.

Another approach to the solution of the labor shortage problem is to improve both labor productivity and the utility rate of equipment. It is impossible to solve the labor shortage problem and to expand the economy without constantly raising labor productivity.

Labor productivity can be raised only through the rational organization of labor and production, the mechanization and automation of work, the adoption of advanced industrial techniques, the establishment of the internal system and order of enterprises, and the further enhancement of socialist labor discipline.

First of all, labor should be rationally organized by drastically reducing the number of managerial personnel, and by putting those workers who have been removed from management to productive work. It is very important to maintain a proper ratio between the number of workers engaged in productive work and those in unproductive work.

Moreover, labor should be appropriately used by organizing work-teams properly, and the responsibility of each work-team and its constituent members should be clearly defined.

An effective type of work-team is an all-round (chonghap) work-team; this team makes it possible for members to help one another and to cooperate with each other, for skilled workers to use their working hours to the best advantage, and for laborers to be trained to become skilled or multiskilled (taginuugyong) workers.

It is also important to assign more than one job to a worker and to place workers in charge of more than one machine. To achieve this end, the arrangement of both the workshop and the machines should be improved. In the past, much of the productive reserve (saengsan yebi) has been left unused because of the faulty arrangements of workshops and machines.

It is also important to strengthen labor discipline and work discipline (chakop kyuryul) and to observe standard operational procedures and technical regulations.

In particular, conferences, circles, physical training programs, and lectures should not be conducted during working hours so that workers will not be kept from their work. Such practices are as harmful as absenteeism to socialist construction. This state of affairs should not be allowed to remain unchecked.

New labor norms should be appropriately set and carried out in order to effect a rapid increase in labor productivity. Proper labor norms constitute the foundation for planned labor and wage funds and for the rational organization of wages. They will serve to raise labor productivity by furthering adoption of advanced techniques, improvements in the organization of labor [supply], proper utilization of working hours, and successful conduct of socialist production competitions.

The establishment of technical norms is essential to achieving these ends. It is therefore important to take steps to increase the proportion of technical labor norms [to the total of work norms].

Cabinet Decision No 67, "On the Improvement and Strengthening of Labor Management," dated 14 November 1959, stipulates that the labor norms now in force should be reviewed and replaced with new norms by the end of the first quarter of 1960.

As a result of the great strides that have been made in our techniques and production, the existing labor norms have become outdated. On the other hand, there are some labor norms which were set too high to be implemented. Thus, many existing labor norms are not suited to the present situation.

As a result, many workers feel discouraged in their attempt to raise labor productivity, and, in many cases, wages are not balanced with the work performed by workers. It is therefore important to review all existing labor norms with a view to properly revising them.

Labor should first be reorganized on a rational basis; then labor norms should be revised to make it possible for workers to fulfill and even overfulfill their norms under the new conditions.

In providing guidance and assistance to laborers, technicians should make use of the experience acquired during the period devoted to the discussion of the Party's "red letter."

In setting labor norms, both the technical labor norm method and the method for setting labor norms in the light of experience and statistical data should be employed concurrently.

The desired results will not be achieved using either of them alone. Existing labor norms should be completely revised by the end of the first quarter of 1960. The revision of work norms should be continued on a planned and regular basis.

The revision or expansion of unified labor norms is of great importance in maintaining a state of equilibrium on a nation-wide basis and in popularizing advanced working methods. Labor norms must be revised if labor productivity is to be raised, even if all other factors are favorable.

Next, it is important to observe the socialist principle of distribution in setting wage scales. To achieve this aim, the wage skill rate (imgum kinung tungup) and the work rate must first be accurately set. The committees for setting wage rates should be reorganized to enable them to perform their functions satisfactorily. In addition, practical courses should be organized in the Ministry and in bureaus as well as in each enterprise.

Moreover, the application of the piece-work system should be expanded. But to avoid equalization of wages, progressive wages should not be used indiscriminately in applying this system.

Bonuses and raises should be closely linked to the results of production in order to encourage the recipients to increase their output and to raise labor productivity. Wage scales and commentaries on skill rating should be revised so that equal wage scales can be applied to enterprises operated on the same scale and of the same economic importance; thus, equal wages will be paid for equal work and equal skill.

It is also important to take measures, in cooperation with the Labor Federation (Chikmaeng), to raise the level of techniques and skills among workers. The level of techniques and skills must be surveyed and future needs for skilled workers must be accurately assessed before training can be properly conducted. In addition, steps should be taken to meet the urgent need for specific categories of skilled workers. Labor management officials should ensure that all eligible trainees are registered without fail, and that their training is so effective that the need for qualified personnel can be met in time. (Nodong, No 12, December 1959, pages 10-15)

Labor Organization in Power Industry

[The following is a summary of an article "Organization of Labor in Power Engineering Sectors" by AN Chin-ho, in Nodong, No 12, December 1959, pages 26-28.]

At the June Plenary Session of the Central Committee of the Korean Labor Party a decision was taken on how to further expand the electric industry in order to meet the urgent needs of socialist construction in Korea. This decision states that the central tasks in expanding the Korean electric industry are to further strengthen the existing power bases, to set up an appropriate number of new hydroelectric and thermal power plants and, at the same time, to ensure that the people as a whole will erect small and medium power plants.

Thus, one of the important tasks before us is to further strengthen the existing power bases. This article attempts to discuss the problem of how to organize labor in the power engineering field with a view of strengthening power bases.

In strengthening existing power bases, it is important to effect the earliest possible restoration of the aggregates (agregatu) [or complexes] of hydroelectric and thermal power plants and powertransmission and distribution lines which have gone out of commission; this will enable us to utilize the productive reserves of electric facilities.

The proper organization of labor in the power engineering field is also important; this is to be achieved by making it possible for workers to work without interruption. But power facilities have not been thoroughly restored, and they are apt to be put out of order quite frequently; moreover, power facilities have not functioned at their full capacity due to the lack of necessary supplies and parts.

In addition, in some enterprises, the responsible workers are too interested in day-by-day production to pay proper attention to the inspection of power facilities at regular intervals or to maintain these facilities in a state of repair. As a result, the facilities have been put out of order quite frequently; thus, workers were prevented from doing their work until the facilities were restored and much labor was wasted.

Still worse, the responsible workers of enterprises, as well as those in charge of labor management, have failed to make use of the original devices and rationalization plans submitted by workers for the purpose of strengthening power bases. Such attitudes run counter to the Party policy in regard to power bases and should be corrected.

It is also important to organize labor for the end of effectively solving the problems in the power engineering field, and, in particular, to organize and operate practical brigades (silch'on burigada). The membership of practical brigades should be made up of workers who have been engaged in power engineering for a long period of time; they should have highly developed skills and should be loyal to the Party.

The practical brigades should not delay in studying original devices and rationalization plans offered by workers and in putting them to use in strengthening power bases; they should devote all their energies to keeping power facilities in a constant state of good repair.

It will, of course, be impossible to utilize all the preferred devices and suggestions at once, even when they are all excellent ones. A committee should be set up for the study of these original devices; it should subject them to close examination and put the most valuable ones to use first.

Labor management workers at enterprises should take steps, in cooperation with Labor Federations, to ensure that the membership of practical brigades remains there as long as possible; in this way, the groups can receive the title of "thousand ri horse work team" (ch'onrimsa chakoppa).

In addition, the production council (saengsan hyopuihoe) and the committee for examining original devices should be induced to be more active and cooperation between workers and technicians should be strengthened. Moreover, material as well as moral rewards should be employed to encourage workers to develop original devices.

Another task for the practical brigades is to keep facilities in good repair in a systematic manner. At a plenary session of the Party committee at the Hwanghae Iron Foundry (Hwanghae Chech'olso), Comrade Kim Il-song stated that if even a single screw was found to be loose, it should be tightened at once, and that if a screw was found to be in danger of being broken, it should be replaced before it was too late.

In accordance with these instructions, the practical brigades should inspect power facilities; a record should be made of all places in need of repair and they should be restored in time so that production can go on without interruption.

Labor management workers should assist the members of practical brigades to hold conferences with machine operators at frequent intervals. In this way, the former can be continually informed of the condition of the facilities and can keep a record of each machine. To keep machines in good repair, it is most important to expand the capacity of the repair workshops.

Past experiences in manufacturing machine tools should be utilized in order to strengthen the machine-tool re-production drives. The most reliable and skilled laborers should be allowed to participate in these drives, so that good-quality machine tools can be produced.

Both the responsible workers of enterprises and the labor management workers should maintain a stock of the supplies needed in repairing facilities; they should con-

concentrate their efforts on the production of parts, in order to secure a sufficient quantity of parts to meet the demand for a three-month period.

According to Comrade KIM Il-song's instruction, the solution of this problem depends on continuous increases in the utility rate of the existing facilities of repair shops. This can be accomplished by setting up a repair system for facilities, by maintaining a proper balance between the capacities of various facilities, by raising the skill level of the machine operators, and by rationalizing the use of working hours and the organization of work sites.

In this connection, it is most important to maintain a balance between the capacity of primary facilities and that of supplementary facilities. If it is impossible to maintain this balance, concealed reserves should be mobilized to the greatest possible extent by raising the level of skill among machine operators, by rationalizing the use of working hours, and by working out new technical norms.

In the event that the balance between the various facilities cannot be maintained by such means, new facilities should be obtained. In the past, some enterprises have tried to solve the lack of balance between the capacities of various facilities by securing new facilities, rather than by first mobilizing the concealed internal reserves; this incorrect approach should be eliminated.

It is also important to raise the level of skill among the machine operators at repair shops. This has become particularly urgent since the work at repair shops has considerably increased and most of the additional workers have been recruited from unskilled workers and dependents (women) of workers.

Moreover, the machines at repair shops have been replaced with those of newer types; at the same time, the number of machines has increased, and more labor is required for improving the quality of supplies and parts.

It is certain that if a sufficient number of skilled laborers is not available, products will turn out to fall short of standards and will be defective; thus, it will be difficult to strengthen the existing power.

Therefore, training programs should be closely reviewed with a view to improving the level of skills among workers as soon as possible. In particular, the need for lathe men, founders, and tube manufacturers is especially urgent and great; special efforts should be made to solve effect an early solution of this problem.

Both the responsible workers of enterprises and the labor management workers should realize the importance of rationally organizing skills and labor, so that the utility rate of existing facilities can be raised. Nevertheless, in some enterprises, the supply of labor is so allocated that much working time continues to be wasted.

The conditions at enterprises should be minutely studied, with a view to assigning difficult work to skilled workers and easy work to less skilled ones; the best results can be achieved in this way.

By rationally organizing labor, workers will be enabled to work without being interrupted. In the event that continuous work is impossible, the workers affected should be promptly assigned to the repair of machines and supplies to be used by them in the future, and to other necessary work. This will prevent labor from being wasted.

The work performed during a day, a ten-day period, and a month should be regularly reviewed so that work plans can be carried out without fail. With the expansion of repair workshops, and many new workers have been recruited who have had little previous experience.

Under the guidance of the Party and in cooperation with the Labor Federation and other social organizations, the responsible workers should enhance the instruction given to new workers in Communism and should establish internal discipline.

In order to raise labor productivity, the piece work system should be extensively adopted on the basis of accurate work norms. However, in some enterprises, unified (yuil) work norms have not been applied--although their application is mandatory--merely in order to satisfy those workers who are so self-centered as to want to perform less work and receive more compensation.

Some enterprises have failed to set and apply work norms, even when their determination and application was possible. As a result many workers are not interested in the piecework system, although it is certain that they would do piecework if accurate work norms were set and applied.

Labor management workers in the power engineering field should exert themselves to do their part in strengthening the existing power bases, in accordance with the instructions delivered by Comrade KIM Il-song before the plenary session of the Party committee at the Hwanghae Iron Foundry. (Nodong, No 12, December 1959, pages 26-28)

Labor and Wages of Coal Mines

[The following is a summary of an article by O Hong-gun, "Let Us Immediately Improve the Organizing of Labor and Wages at Coal Mines," Sokt'an Kongop, No 9, October 1959, pages 3-4.]

The technological improvements and changes effected in the composition of the labor force require an improvement in the organization of labor and wages to conform to changed circumstances.

To this end, first, labor productivity at mines should be systematically increased through the thorough organization and management of labor. This requires (1) that the working force be assigned to fixed positions in shops, thus minimizing the turnover of the working force; (2) that the distribution of the working force in mines should be carried out in the order of priority--in order of basic drilling, preparatory drilling, coal extraction, "tongbal" and transport, with the proviso that the proportion of direct production workers should be always kept at a relatively large number. More than 25 to 30 percent of all coal mine employees should be assigned to coal extraction and preparatory drilling, and 85 to 90 percent of the workers thus assigned should actually be engaged in basic work; and (3) that, since the enhancement of drilling oper-

ations requires acceleration in the speed of drilling, competent, young skilled workers should be primarily assigned to that task; other sections of mines can be staffed with the remaining workers.

Secondly, the work norm must be accurately determined and the piece-rate wage schedules adequately administered.

Workers in the principal sections of mines are for the most part paid in accordance with progressive piece-rate wage schedules; accordingly, it is essential that such schedules be administered correctly, in order to provide incentives for greater production and for increased labor productivity.

It is also necessary that adequate working conditions be provided, lest workers, due to no fault of their own, should cease to work.

The determination of accurate work norms is of great importance in increasing labor productivity. Work norms should be determined on the basis of concrete conditions, and when they are not fulfilled the causes for such failures should be carefully examined.

It is also incorrect to exceed the prescribed wage fund limits under the pretext of ensuring income to the workers, while not providing adequate material and technical conditions. This was the case at the Yongdung and Kogonwon coal mines.

Some coal mines have inhibited the workers' zeal by paying equal wages according to the actual output of coal, although the underfulfillment of the coal production plan was not due to any fault on the workers' part.

Equalitarianism in wage payment should be sternly checked. Differences in the quality and quantity of labor rendered by the workers engaged in different kinds of mining work should be fully taken into account. It is inappropriate to pay equal amounts of wages to both the workers engaged in subterranean operations, e.g., drillers and coal extractors, and to the workers engaged in outside pits, nor should equal amounts of wages be paid to both the subterranean workers who are to be paid by the progressive.

piece rate schedules and other subterranean workers who are engaged in auxiliary shops.

By taking into consideration differences in the kinds of work performed, the drillers and coal extractors should be paid more than other workers, beyond the marginal differentials provided for in the wage schedules.

However, this can be done only in cases where the work norm is fulfilled and the progressive piece rate system and other perquisite systems become applicable. It is therefore essential to provide the technical and organizational conditions which are necessary for the workers to overfulfill their work norms. (Sokt'an Kongop, No 9, October 1959, pages 3-4)

Training of Housewives

[The following is a summary of an article "Experiments in Training Housewives in Skills by Their Own Husbands" by YIM Hak-so, Chief of Wages Division, Kiyang Machine Manufacturing Plant (Kiyang Kigye Kongjang), Nodong, No 12, December 1959, pages 29-31.]

Comrade KIM Il-song visited our plant 10 October 1958, at the time that he assigned us the task of producing tractors. He on that occasion, he gave us detailed explanation of how to solve the problem of the shortage of skilled labor and stressed the fact that workers should train their own wives at their work sites, to become skilled workers. Our plant lost no time in putting his instructions into effect. During October and November 1958, a total of 820 housewives were recruited as trainees.

This bold project turned out to be complicated and difficult; it was greeted by objections on the part of many workers who did not care to have women--especially their own wives--work in the same shops. The workers in the foundries and in other shops contended that it was impossible for women to learn the trade and to do adequate work, and that women were not needed in their shops. More-

over, many workers indicated their dislike for working in the same workshop with their wives.

There were some women recruits who felt it was beyond their capacities to learn the techniques and skills and who asked for work assignments in warehouses or in the transportation department.

The leadership of the plant decided that it would be impossible to proceed with the training program without first disabusing the workers of their misguided views regarding the potentialities of women. The leadership of the Plant recalled that in the past they had handled many matters in too much of a business-like fashion and had failed to provide all-important political guidance to the workers; consequently, the leadership, under the active guidance of the Party unit in the plant took measures to sponsor lectures, discussion meetings, and special courses for the entire plant, as well as for individual workshops.

In addition, drives were conducted both on the premises of the plant and in the workers' homes to persuade the individual workers to change their position on this matter. By such means, the instructions of the Comrade Premier, as well as the internal regulations of the plant, were explained to workers. Great efforts were made to remind them of the position taken by the Comrade Premier that there was nothing unusual or supernatural in learning techniques and skills and that it was not impossible for housewives to be trained to become qualified personnel.

Meanwhile, at a general meeting of the Labor Federation in the plant, measures were adopted to train housewives in workshops in a short period of time; in particular, it was decided that women would be trained by their own husbands.

This organizational and political work was followed by the assignment of women recruits to foundries, tube manufacturing shops, and machine reassembly shops, where they were to work with their own husbands. However, not every wife was assigned to the workshop where her husband worked.

If the wife was poorly educated or too advanced in age to learn difficult or complicated skills, she was assigned

to a different workshop. Thus, a total of 532 women were allowed to work in the same workshops with their husbands.

The plant's Committee for Guiding Technical Studies (Kinung Kisul Haksup Chito Wiwonhoe) made arrangements for these women trainees to receive a basic technical education before their husbands took over. Each class contained 20 to 40 students. It was evident from past experiences that when the size of a class was greater than this, students found it difficult to concentrate on their studies.

On the other hand, if the size was smaller, it was difficult to maintain the students' interest in their work. It was also impossible to organize too many classes on account of the limitations in the available space and in the availability of qualified personnel. A class was composed of both comparatively well-educated students and of those with less education, so that the former could help the latter with their studies.

Theoretical studies consisted of both lectures and discussions on a fifty-fifty basis. Otherwise, it would be impossible for the trainees to concentrate on their class work all the time. Priority was given to the study of terminology, to names of parts, and to the structures of machines and their use. It was impossible for the trainees to complete their studies without first learning these items.

There were some students who could not take note of lectures, and such students were to receive help from their monitors. The following are the number of hours devoted by various study groups to their studies in their classes:

<u>Name of workshop</u>	<u>Number of hours</u>
Foundries	90
Tube Manufacturing Shops	110
Assembling Shops	150
Processing (lathe) Shops	150

The table shows that the number of hours spent in the class varied from group to group. In foundries and tube manufacturing shops, work processes are relatively simple;

therefore, trainees were not required to devote much time to their studies. On the other hand, in the other two shops work processes are more complicated; it was thus necessary for the students to devote more time to their class work.

After two to three months of basic studies, with two to four hours a day spent in class, the trainees were turned over to their husbands for their final training as apprentices.

Education in production was conducted by practice supervisors; each supervisor was in charge of 20 to 40 trainees and used two to three machines. The students were taught how to do various kinds of work, how to operate machines, and how to install various types of implements and instruments.

To encourage trainees, study contests were conducted between classes. Once a week, the students were tested on theory and were given an opportunity to exhibit their products. The Committee for Guiding Technical Studies reviewed and assessed education in theory and education in production at regular intervals in order to stimulate the trainees to work with more enthusiasm.

In reviewing and assessing, emphasis was placed on praising and publicizing successful students. It was evident from past experience that the alternative approach of pointing out shortcomings only served to discourage unsuccessful trainees.

Hence, it was left up to the husbands to help their wives to make up deficiencies in their studies. Thus, after two to three months of basic training, the students were turned over their husbands.

In order to help their wives, the men studied what they had not learned by consulting books or instructors. The men availed themselves of all their free time, before their work started, during their rest hours, or after their working hours. The personal training was carried out in front of the men's machines in the work shops. In order to teach their wives in their homes, the men took home simple instruments for experiments, as well as parts, sketches, and plans.

As a result, the housewives all became first-grade workers within four months. In foundries, where the work processes are not so complicated, 109 women became fourth-grade founders within three months.

Thus, the housewives have been able to do their work and some of them have even turned in original devices and rationalization plans. (Nodong, No 12, December 1959, pages 29-31)

V. TRADE

Commodity Supply

[The following is a summary of an article "Be Sure to Conclude Commodity and Receipt Contracts (Sangp'um Sungongup Kyeyak) in 1960" by Kim U-hyon, in Sangop Sinmun, 8 January 1960.]

One of the most important tasks of the commercial organs is to receive an ample supply of the right kinds of commodities in time from production enterprises so that consumers can be properly supplied with goods. To achieve this end, commercial organs should conclude commodity supply and receipt contracts at the right time. This will guarantee that producers will deliver their goods in time, and will ensure the proper functioning of commercial organs.

But in 1959 workers of wholesale commercial agencies failed to observe the terms of supply and receipt contracts in accordance with State plans and regulations; the result was that producers were allowed delays in delivery of their goods and this made it impossible to properly supply commodities to consumers. Some workers went to the length of failing to conclude supply and receipt contracts with regard to the items designated by the State.

Consequently, a large number of commodities included in the 1960 commodity assurance plan (pojang kyehoek) were not delivered in time; this made it impossible for retail stores to secure the necessary items at the right time.

As a result of the fact that supply and receipt contracts were not properly concluded, commercial units were prevented from obtaining the correct amounts of commodities. In addition, they were also prevented from securing commodities which were of the correct type, standard, quality, color and shape. Moreover, they could not secure

them at the right time. The commercial agencies must induce producers to improve the quality of their products and increase the number of types of goods. To achieve this end, commercial organs should strive to avoid a repetition of their failures of 1959 by concluding supply and receipt contracts at the right time.

It is the policy of the State that inclusive or general (chonghap) contracts must be concluded by 20 January 1960 and that specific or individual (kaebyol) contracts must be concluded by 5 February. If commercial organs and their producers fail to act in accordance with these regulations, they will be severely penalized in accordance with the law.

It is up to the managers and all the other workers of wholesale agencies to study both the regulations in force and the details of the contract terms to be concluded. Thus, they will be prepared to perform their duties in connection with the conclusion of supply and receipt contracts. Commercial workers should adhere to the terms of contracts themselves; in case producers fail to live up to contract terms, the commercial workers should make a point of penalizing them in accordance with regulations.

Since the output of consumer goods by local industry is rapidly increasing, every effort should be made to properly implement the terms of supply and receipt contracts with local industry enterprises. In 1959 some wholesale workers concentrated obtaining products from the region of the national capital, including textile fabrics and other fiber goods. They thus neglected the products of local industry--particularly non-fund (pi'ondu) goods. These undesirable tendencies should be eliminated this year.

In drawing up commodity supply and receipt contracts this year, efforts should be made to include all kinds of items, including buttons and hair pins. Some wholesale workers try avoid being bothered with small items because such items do not bring much profit and are troublesome to deal with. These attitudes should be sternly rejected.

In drawing up contracts, provisions should be made for producers to improve the quality of their goods and to be

careful about packing. In addition, such factors as the time of delivery, trade marks, prices, etc, should be carefully provided for in contracts.

Efforts should be made to ensure that contract terms are carried out. Commercial workers should keep in close contact with their producers to ensure that the latter will deliver their goods on time. Moreover, they must ensure the quality of goods and see to it that the goods are properly packed. (Sangop Sinmun, 8 January 1960)

Vegetable Production and Supply

[The following is a summary of an unsigned article "Commercial Workers Should Do Their Part in Production and Supply of Vegetables" in Sangop Sinmun, 14 January 1960.]

A conference of the provincial commerce control bureau chiefs (kakto sangop kwalli kukchang hyopuihoe) was held at the Commerce Ministry 12-13 January 1960. The problem of improving the supply of subsidiary foods was discussed at the meetings.

It was suggested that the most effective methods be employed to create reliable vegetable bases in the vicinity of cities and workers' residence districts. Last year's mistakes should not be repeated. In Sinp'yong Gun, vegetable bases were set up for workers of the Mannyon Mine at great distances of 80-100ri. In other areas, land was set aside which was not suitable as a base for raising vegetables, and the wrong species of vegetables were selected to be raised there.

Commercial workers should participate in drawing up vegetable production plans, with a view to providing each inhabitant with 300 kilograms of vegetables [each year]. In the spring of 1959, cabbages were not available in some areas for a long period of time; then the local markets were suddenly glutted with cabbages. This lasted for a while, but soon they were in short supply again. It is

up to commercial workers to take measures to ensure that an adequate supply of fresh vegetables is available throughout the entire year. Producers should be induced to raise vegetables by "stairway methods" (kyedan sik), and, in the winter, vegetables should be raised in greenhouses.

To successfully meet the people's demand for vegetables, commercial workers should make accurate estimates of their needs; moreover, sowing plans should be drawn up by species and season, and measures should be taken to ensure an adequate supply of various vegetables throughout the year. Supply and receipt contracts should be properly concluded; arrangements should be made for the effective transport of vegetables; and farmers should be encouraged to raise their output. Thus, commercial workers should play an active part in the production and supply of vegetables. Guidance should be provided to agricultural co-operatives in the operation of their own stores, where vegetables are sold directly to consumers. At the same time, wholesale agencies dealing in vegetables and fruits should continue to make efforts to secure an adequate amount of vegetables and to make arrangements for their efficient transport and supply.

It was also suggested at the conference that the surplus labor supply be organized and mobilized for picking at the right seasons such wild vegetables as mushrooms, bellflowers roots (toraji), and royal ferns (kosari). The people should be encouraged to raise such wild vegetables on any available plot of unused land. It was also suggested at the conference that the purchase and sale of wild vegetables should be organized (Sangop Sinmun, 14 January 1960)

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